*Australian Journal of International Affairs, Vol. 56, No. 2, pp. 197–206, 2002*

Carfax Publishing
Taylor & Francis Group

# Current and emerging challenges to the practice of Australian diplomacy

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*This article examines the capacity of Australia's overseas network to respond to a range of different challenges confronting today's diplomats. These include doing more with less at a time of greater international interaction and activity; deepening our understanding of foreign societies at a time when it can be increasingly dangerous to do so; and doing both these things at a time when questions remain about our basic standpoint.*

In his article in *The Australian Journal of International Affairs* last year the Foreign Minister, Alexander Downer, said that 'the security of the Australian nation and the jobs and standard of living of the Australian people are the interests which lie at the core of foreign and trade policy' (Downer, 2001a: 337).

If we accept this definition, we can say that in the 55 years from the end of World War II to the end of the last century we did quite well. With its allies Australia saw off the communist vision of 'Asia in flames' and the various crises—the Malayan Emergency, the Korean War, Indonesian confrontation of Malaysia, the Vietnam War—in which it manifested itself.

Australia has built a strong, externally focused, economy, integrated in important ways globally and with the region. By the year 2000 70 per cent of our trade was with other members of APEC, and 50 per cent or our exports went to Asia. Australia enjoys other strong links, particularly in the area of investment, with North America and Europe. These relationships were supported by active membership in various international and regional economic bodies, at least two of which, APEC and the Cairns Group, were the result of Australian initiatives.

In the course of pursuing and achieving these objectives Australia has built an accepted and respected place for itself in the Asia-Pacific region, something that couldn't be taken for granted earlier in the half-century. Contrast the expectation that ten per cent of Australia's population will have family links with Asia by 2010, with the fact that it was not until 1966 that Prime Minister Harold Holt formally declared the end of the White Australia Policy.

There have been concerns about stance as well, about being left behind, isolated, by the great movements in world affairs. It is instructive to look back at what Professor Hedley Bull, perhaps the leading post-World War II Australian thinker on international affairs, wrote in 1974. He said:

ISSN 1035-7718 print/ISSN 1465-332X online/02/020197-10 © 2002 Australian Institute of International Affairs
DOI: 10.1080/1035771022014741 5

> Moreover, it might be argued that by correcting our former image as a white, conservative country, a camp-follower of the United States in counter-insurgency, the exponent of a narrow legalism in the United Nations, and a frequent voting partner of South Africa and Portugal, the Whitlam government has been contributing in a very material way to the objectives of our foreign policy. It is loosening our connection with forces and attitudes that, whatever one thinks of them, are in irreversible decline in world politics at the present time, and strengthening our connection with forces and attitudes that are in the ascendant. If Australia had to operate outside the prevailing consensus in world politics, as South Africa does, or Taiwan, or to an increasing degree, Israel, the attainment of all our substantive objectives would be infinitely more difficult. If Australia had remained stuck with the image it still had in world politics at the end of 1972 there would by now be a real possibility of our drifting into a position of dangerous isolation. (Bull, 1974)

Of course neither national nor international circumstances are ever static, and those officials charged with furthering Australia's security and prosperity abroad—principally, although certainly not solely, those employed by the Department of Foreign Affairs and Trade (DFAT)—must both deal with the world as they find it and cut their coat according to their cloth. This amounts to a very considerable current challenge: to continue to function highly effectively at a time of continued resource constraints, while the body of subject matter to be covered continually grows.

This is partly compensated for by administrative reform and more particularly by new technology in the communications and information technology (IT) areas—which can, however, transmit misinformation and rumour, and facilitate criminal or terrorist activities, as easily as it can disseminate knowledge and enable rapid communication.

## The challenges to Australian diplomacy

Taken together, the end of the Cold War, globalisation and the communications/IT revolution have produced or enhanced a number of effects that have had important consequences for the practice of diplomacy.

National borders have become both less immutable and more porous, and the ability and inclination to see over or behind them have grown. Examples include transnational economic areas like 'Greater China' and the grouping linking Brunei, the southern Philippines and the northern part of eastern Indonesia; the ability of the electronic media to bring events in one place immediately to the rest of the world, not infrequently leading to pressures for humanitarian intervention; and the rise of 'new issues' in international diplomacy.

These 'new issues' are of various kinds, and include terrorism, human rights, drugs, population flows, health issues, the environment, international crime, including money movement and laundering, and the issue of how or whether to try to regulate international capital flows of trillions of dollars.

The greater salience of those issues is reflected in the growth of Non-Governmental Organisations (NGOs) concerned with them, again facilitated by the communications/IT revolution. These NGOs can be of very different kinds. The

*Sydney Morning Herald* reported on 16 March 2002 that the measures taken by Indian police to prevent sectarian violence over Ayodhya included jamming mobile phone frequencies, 'to prevent potential troublemakers from communicating with each other'. In another example, an informal coalition made possible by the Internet came into existence a few years ago to oppose, successfully, the Multilateral Agreement on Investment developed by the OECD.

More mainstream are the established organisations, for example the United Nations Association, World Vision, Care Australia or the Australian Council for Overseas Aid (ACFOA), with which we are all familiar. Yet they, no less than ad hoc bodies formed for particular purposes, make their claims on the time and resources of Foreign Ministries world-wide.

And for those Departments of Foreign Affairs, like Australia's, which are also Departments of Trade, the ever-growing institutionalisation and codification of international trade and economic exchanges of all kinds by bodies like the World Trade Organisation mean an endless demand on ministers and departmental officials to brief, explain, consult with and obtain views from Australian agricultural, industry, trade and services interest groups and associations.

One area in which NGOs have become particularly prominent is multilateral diplomacy, which is growing in volume, scope and complexity. As James P. Muldoon Jr, Senior Policy Analyst with the United Nations Association of the USA, wrote in 1999,

> multilateralism has been strengthened as a norm and is predominant in contemporary international relations … this has raised the profile and broadened the role of the United Nations and other multilateral institutions in international relations. They are now the core diplomatic frameworks through which the international community tries to manage the complexity of today's transnational problems and challenges (Muldoon, 1999).

And these frameworks are not only diplomatic. At the United Nations' Earth Summit in Rio de Janeiro in 1992, around 9,000 organisations took part in the parallel NGO Global Forum, setting a pattern which has since become familiar. As UN Secretary-General Kofi Annan noted in 1999,

> non-governmental organisations are now seen as essential partners of the United Nations, not only in mobilising public opinion, but also in the process of deliberation and policy formulation and—even more important—in the execution of policies, in work on the ground (Quoted in Muldoon, 1999).

At times, of course, NGO involvement has extended to organisations set up specifically to be inimical to the event in question, as WTO, World Economic Forum and European Union meetings have repeatedly shown.

A further factor is the growth in the size, power and roles of multinational corporations, and the degree to which they now routinely involve themselves in issues that once would have been regarded as the prerogative of governments.

## How Australian diplomacy has responded

These factors have a number of consequences for the practice of diplomacy. One is the need for specialised staff able to understand, manage and add value to the expanding international agenda, and deal with the increased number of actors, despite resource constraints. Fortunately, in Australia's case, it seems that the number and quality of young people wishing to undertake a diplomatic career remain high.

Another, somewhat contrasting, consequence is that the border between what is a concern of domestic policy and what is a concern of foreign policy has practically disappeared. Almost every government activity now has an international dimension, an international liaison aspect and a set of international meetings of its own.

When I was Australian High Commissioner in New Zealand between 1996 and 2000 it was a commonplace for Australian and New Zealand ministers and officials to be in direct touch with each other, even, in the Australian case, down to the State level. While Australia and New Zealand are particularly close—for example, New Zealand minsters regularly attend most Federal-State Portfolio Conferences—I don't think such direct contacts are unique. And they also are facilitated by the communications/IT revolution.

In a way it can be argued that this doesn't matter. Many government departments now have their own international sections, capable officials, and established links to counterpart agencies overseas. Is it a cause for any concern if officers of the Treasury or the Departments of Customs, Defence, Education, Health, Primary Industry, Social Security or Transport are active internationally on government business, rather than officers of the Department of Foreign Affairs and Trade?

In my view this is not a cause for concern as such. What matters is that a function is effectively carried out, not who does it. But this is subject to one important proviso, and that is that there is effective 'whole of government' policy coordination. The reason is straightforward: a stance in one specialised, perhaps quite technical, area can easily, if run with unchecked, come to assume a weighting in a relationship that tilts it in an unwanted direction, even though this may not be intended by the government as a whole.

There are certainly mechanisms in Australia's practice of government to produce this kind of coordination. At the officials' level there are inter-departmental committees and the Strategic Policy Coordination Group (SPCG),made up of Deputy Secretaries from the Departments of Prime Minister and Cabinet, Foreign Affairs and Trade and Defence, which looks at strategic matters. At the highest level there is of course, Cabinet, but ministers would not welcome being constantly asked to rule on matters of coordination and jurisdiction.

It would be considered precious for DFAT to insist that all of every Department's overseas responsibilities be carried out through it. But coordination is essential if the country is to present a consistent and effective face to its international interlocutors. Unfortunately coordination is also very demanding on scarce time and resources, not least because the would-be coordinator has to have an adequate grasp of what are often complex and can be quite technical issues.

The developments we have been considering mean that not only is the field of 'foreign affairs' less exclusively the preserve of Foreign Ministries, it is also less exclusive to governments and diplomatic practitioners. The work of Foreign and Trade Ministries has become more contestable. In this age of globalisation, information and communications, investment banks and international law firms, for example, as well as academics and the NGOs we have been discussing, are able to vie with governments in providing analyses of international situations and the ability to facilitate international transactions. Experts employed by international consulting firms may have as good or better qualifications, and more specialised experience, than their counterparts in Foreign Ministries—which more than ever have to demonstrate performance, and show relevance and how they add value.

## The challenges of resourcing

Maintaining high performance is not easy at a time of continuing resource constraint and an ever-increasing volume of international business. But needless to say, those in charge of 'the practice of Australia's diplomacy', and of DFAT in particular, have not been passive in meeting the challenge, which has been considerable. When the Howard Government came in in March 1996 it proceeded to cut the department's resources by $40 million over two years. With no discretionary program funds available, this basically had to come from salaries. This has meant, in the past six years, the departure of a total of 650 Australia-based staff, or 25 per cent of the total.

While the annual intake of graduates—the former 'diplomatic cadets'—has continued, at a rate of 23 to 30 per annum, this reduction in funds and numbers has of course caused pressures and tensions.

Departmental managers have responded in various ways. The use of IT and communications technologies has been warmly embraced, with posts and departmental headquarters linked by secure computer networks: first ADCNET, later SATIN. The Department has adopted a working smarter philosophy of continuous improvement. Recruitment policies have moved to reflect the changing international agenda and the need for specialised qualifications and abilities.

Methods of work have also changed to reflect and take advantage of modern technologies. Administrative and financial tasks which can, through the use of IT, now be done in a centralised way in Canberra rather than in posts are being dealt with in that way. And IT can work the other way as well. The prompt and secure exchange of texts that it makes possible enables posts to play a greater part than before in the preparation of departmental policy and briefing papers, thus in effect using staffing resources at posts to help make up for staff stringency in Canberra. In posts, tasks which can be done by locally-engaged rather than Australia-based staff are increasingly done by suitably qualified and cleared locally engaged staff, where they are available. The reason for this is of course to save money since, with overseas allowances of various kinds combined with travel and accommodation costs, it costs much more to maintain an Australia-based officer, perhaps ac-

companied by a family, overseas than to employ an appropriately qualified person locally, if available.

This, like the other examples given of 'working smarter', in itself is sensible enough, but these examples do raise the question of the adequacy of the resources provided for the practice of Australia's diplomacy.

The Prime Minister has said that 'our political and diplomatic resources are substantial, appropriately deployed, and internationally respected' (Howard, 2001). But if we look at staffing numbers and financial resources, we may not have cause to be so sanguine.

The resources available for Australia's diplomacy pale in comparison to those provided for Defence. Total resourcing of DFAT outputs in financial year 2000–2001 amounted to $687,223,000. This figure includes the costs of running and maintaining 83 embassies, high commissions, consulates and multilateral missions overseas. It compares with spending by the Department of Defence in the same year of $12.2 billion, set to rise by the end of the decade to $16 billion per annum, an increase of $23.5 billion over the decade, or 34 times the total DFAT budget for the last completed financial year.

While we are all aware of the cost of major defence equipment purchases, this is after all equipment which we all devoutly hope will never be put to use in earnest. And if, as Clausewitz said, 'war is the extension of diplomacy by other means', it would seem only sensible to ensure that diplomacy itself, 'the first means', is soundly resourced.

Of course, neither this problem, nor the comparison between expenditures on diplomacy and defence, is unique to Australia. In Foreign Affairs of July/August 2000 Richard Gardner, the distinguished American academic and lawyer, and former diplomat and government official, made a case for increased resources for United States foreign policy. Although the figures and comparisons he used are totally different from the Australian case, his eloquent account of what a diplomatic service does applies as well to Australia as to the United States:

> The United States maintains 250 embassies and other posts in 160 countries. Far from being rendered less important by the end of the Cold War or today's instant communications, these diplomatic posts and the State Department that directs them are more essential than ever in promoting … fundamental U.S. foreign policy interests …
>
> Ambassadors and their staffs have to play multiple roles today—as the 'eyes and ears' of the President and Secretary of State, advocates for U.S. policies in the upper reaches of the host government, resourceful negotiators, and intellectual, educational, and cultural emissaries in public diplomacy with key interest groups, opinion leaders, and the public at large. As Albright put it in recent Congressional testimony, the Foreign Service, the Civil Service, and the foreign nationals serving in U.S. overseas posts contribute daily to the welfare of the American people 'through the dangers they help contain; the crimes they help prevent; the deals they help close; the rights they help protect; and the travelers they just plain help' (Gardner, 2000).

It can certainly be argued in the aftermath of 11 September and subsequent

incidents that Australia's diplomacy needs to be even more effective than before. Earlier we noted a series of elements in current national and international circumstances that challenge all countries' diplomatic practice. Of course there is now one overwhelming challenge to all governments, and that is how to cope with the events of 11 September and their consequences—including the United States' determination to make opposing terrorism its over-riding objective, and its stated readiness to use overwhelming force, and if necessary to strike pre-emptively, to that end.

This of course will be a matter for policy, as well as practice, but one aspect which bears very much on the new issues and changed environment discussed above is the need not only to confront the phenomenon of terrorism and how to combat it, but also to deal with its sources.

This means not only the daunting and intractable diplomatic task of seeking a solution to the Middle East crisis, but also mobilising to deal, in a more sustained and effective way, with the issues which give rise to terrorism. To quote US CIA Director Tenet, in remarks to the US Senate Select Committee on Intelligence on 6 February:

> we must also look beyond the immediate danger of terrorist attacks to the conditions that allow terrorism to take root around the world. These conditions are no less threatening to U.S. national security than terrorism itself. The problems that terrorists exploit—poverty, alienation, and ethnic tensions—will grow more acute over the next decade. This will especially be the case in those parts of the world that have served as the most fertile recruiting grounds for Islamic extremist groups.
>
> We have already seen—in Afghanistan and elsewhere—that domestic unrest and conflict in weak states is one of the factors that create an environment conducive to terrorism.
>
> More importantly, demographic trends tell us that the world's poorest and most politically unstable regions—which include parts of the Middle East and Sub-Saharan Africa—will have the largest youth populations in the world over the next two decades and beyond. Most of these countries will lack the economic institutions or resources to effectively integrate these youth into society (Tenet, 2002).

Few would disagree with this sober assessment: yet tackling these conditions more effectively will, to say the least, represent added tasks for the diplomatic representatives of all countries which wish to join in the anti-terrorism effort.

From the point of view of practice, as highlighted by the threat to the Australian High Commission in Singapore and the wounding by grenades of Australian aid personnel in Islamabad, there will be some added tension between the need to see that Australia's overseas representatives are as secure as possible and the re-emphasised need for them to deepen even further their immersion in, and understanding of and ability to assess, local situations and movements of opinion, particularly in Islamic countries like Pakistan and Indonesia where secularising governments seek to assert or maintain control over militant Muslim movements.

It's not a matter of 'beating the wire services'—diplomats have known for decades that that isn't a sensible objective—but rather of informed, evaluated

reporting and assessment—including of the well-springs of feeling and action in foreign countries which simply may not be apparent to outside observers with limited acquaintance with the country in question.

Australia needs inputs of this kind as a regular part of Australian policy-making because, just as domestic values and considerations form part of the base on which our international policies are formed, so an understanding of relevant international opinion, values and circumstances can be important not only to our international policies, but also in the shaping of our domestic policies—which in turn can have consequences for us internationally.

11 September has also emphasised yet again the importance of sound and sustained representative groundwork overseas, so that when we need access to influential decision-makers and opinion-formers, whether among 'the ruling few' or at the grass-roots, we can get it.

And of course this does not only apply for diplomatic purposes; indeed recent events in Afghanistan underlined once again—if that were needed—the importance of capable and resourceful consular services, able to work closely and effectively with local authorities.

This whole question of access brings to mind a famous saying by Henry Kissinger on diplomacy, to the effect that it's not like engineering, coming on a problem, solving it and moving on. Rather it's like gardening, cultivating relationships so that when you need one, it's there. To the extent that that is true—to me it rings true—it is an answer to those who like to criticise diplomacy for 'cultivating good relations for their own sake'. It's rather 'cultivating good relations against the day you need them'.

In addition to the consequences of 11 September which apply widely, there is one possible consequence that could be of particular importance for Australia. Since the end of World War II two important drivers of Australia's diplomacy have been to strengthen our engagement with Asia and to foster our security relationship with the United States. Both are still strong. On 22 August last year, in an address to the Menzies Research Centre, Canberra, the Prime Minister said:

> The relationship we have with the United States is the most important we have with any single country. This is not only because of the strategic, economic and diplomatic power of the United States. But of equal, if not more significance, are the values and aspirations we share. Our fifty-year-old alliance retains its relevance and vitality in the post-Cold War world and makes an important contribution to stability in our region. It gives us access to technology and information that strengthens our ability to pursue our interests. It showed its worth in the events surrounding the East Timor crisis. And, as the recent visits by Secretaries Powell and Rumsfeld showed, Australia is of diplomatic and strategic importance to the United States (Howard, 2001).

On 10 September 2001, in the course of a sophisticated address to the NSW Branch of the AIIA on Australia and Asia, in which he discussed the changing tides of fortune among Asian countries, Foreign Minister Downer reaffirmed that 'Asia lies at the forefront of our policy focus' (Downer, 2001b).

It hasn't always been easy to reconcile these two policy poles, but a lot of effort has gone into doing so, and by and large that effort has been quite successful. However, the War on Terrorism may make this more difficult, depending on what further actions the United States chooses to take, and how much it chooses to widen its current sphere of operations. The need for a divisive choice may not occur—the US has so far been both assiduous and successful in mobilising support, including in Asia—but the possibility reminds us that one persisting challenge for Australian diplomacy is still not quite resolved, and that is the question of our place in the Asia-Pacific region.

The question of Australia's standing in relation to Asia has been argued in varied ways for decades. Many would now be happy to leave it at something like 'adjacent to, not part of, but interested in and involved with'. In his address referred to above the Foreign Minister pointed to our economic links with Asia, the very large number of Asian students at our schools and universities, our important initiating roles in regard to APEC and the ASEAN Regional Forum, and our standing as ASEAN's first dialogue partner.

But, as recent developments in regard to ASEM and ASEAN plus 3 showed, questions of regional acceptance, inclusion and exclusion remain. In an interview with Greg Sheridan reported in *The Weekend Australian* of 16–17 March, Abdullah Badawi, the Deputy Prime Minister of Malaysia, commented as follows on Malaysian-Australian relations:

> On the people-to-people level there has never been a problem. We do have different perceptions that sometimes put us on different sides. I think Australia is very, very eager to follow the US line. It just proves the point that when it comes to important issues, Australia tends to look in the opposite direction rather than at possible regional solutions. (Quoted in *The Weekend Australian*, 16–17 March 2002).

That is a worrying perception of us for a leading South East Asian politician to have, not only in regard to our relations with Asia—'at the forefront of our policy focus'—but also in regard to our relationship with the United States, given that Australia's expertise and influence on Asian questions has always been seen as making up an important element of the value we bring to that relationship.

Another challenge for Australia's diplomats.

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