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Australia's destiny in the Asian Century (Part 1 of 2)

Kishore Mahbubani, Canberra | Opinion | Fri, September 07 2012, 10:26 AM

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By the logic of geography, the continent of Australia should have been populated with Asians. Instead, by an accident of history, Australia has been predominantly populated with Westerners. This historical accident is now coming to an end.

The past two centuries of Western domination of world history have been a major historical aberration because from the year 1 to the year 1820, the two largest economies in the world were always Asian (China and India). All historical aberrations come to a natural end. We will return soon to the Asian century, if not the Asian millennium.

The one country that will have to make the most painful adjustment to the Asian century is undoubtedly Australia. As Western power slowly but steadily recedes from Asia, Australia could well be left beached, together with New Zealand, as the sole Western entity in Asia. Today, Australia is naturally clinging on to American power for comfort. The deployment of 2,500 Marines in Darwin recently clearly sent a signal that Australia was counting on American security protection.

Yet American power will also recede steadily. Few Americans and Australians are aware of how quickly the American economy will become number two in the world. IMF statistics show that in PPP terms America had a 25 percent share of the global economy in 1980, while China only had 2.2 percent. By 2016, the American share will decline to 17.6 percent while the Chinese share will rise to 18 percent.

Under these dramatically changed historical circumstances, the biggest mistake that Australia could make is to continue on auto-pilot, clinging to Western or American power as its sole source of security.

A strong desire to remain part of the West is perfectly natural. The Australian Foreign Minister, Bob Carr, explained this desire well in his interview with The Straits Times on July 6. "But by language and institutions and values, Australia is undeniably Western and should not apologize for it," he said. "It is who we are. It makes us interesting and it makes us valuable to all interlocutors... A parliamentary democracy, an independent judiciary, a free press, a focus on human rights — all derive from the Western tradition. The Asian migrants who come here bringing their cultures and their perspectives like it that way."

The logic of cultural identity cannot, however, trump hard geopolitical considerations. Let me make a slightly provocative comparison to drive home that point. The West supported the white minority apartheid government throughout the Cold War because it was seen as a necessary bulwark against Soviet expansion in Africa.

However, as soon as the Cold War ended, South Africa lost its strategic usefulness and was quickly abandoned by the West. Their common cultural roots did not factor in the equation. At the same time, to avoid any misunderstanding, let me stress that Australia, unlike apartheid South Africa, does not sit as a "foreign" object in Asia.

It has adapted relatively well over the years to its Asian neighborhood. It enjoys close and friendly relations with many of its Asian neighbors.

Indeed, Australia has many assets in Asia. First, Australia is a member of the Five Power Defense Arrangements (FPDA) together with Singapore, Malaysia, New Zealand and the United Kingdom. Established in 1971, the FPDA has sought to complement the traditional US bilateral

alliances and networks, more recent multilateral arrangements, as well as ASEAN's operations in promoting peace and stability in Southeast Asia. In so doing, Australia, together with the UK and New Zealand, plays a part in sustaining the Southeast Asian security architecture.

Second, Australia has carried out a number of education and training projects through the Australian Agency for International Development (AusAID) and other government agencies. In fact, AusAID funds the ASEAN-Australia Development Cooperation Program which helps in the realization of the ASEAN Economic Community (AEC) by 2015.

The program focuses on building the institutional capacity of ASEC, funding critical economic research and policy activities, and implementing projects that help less developed ASEAN member states operationalize elements of the ASEAN Economic Blueprint.

In short, Australia is already playing a pivotal role in raising the quality of education and training among ASEAN member states.

Third, Australia has cultivated close ties with its Asian neighbors, particularly Japan and Indonesia. Japan and Australia have close economic ties, since Japan is Australia's largest trading partner and a major source of capital investment. In 2007, Australia and Japan started negotiations on a bilateral free trade agreement. Both countries have also cooperated in the areas of culture, tourism, defense and scientific cooperation.

Australia also has generally good ties with Indonesia. Since the independence of Indonesia, both countries have cooperated in the areas of fisheries conservation, law enforcement, and justice. In June 2006, Indonesia and Australia also concluded a security agreement, known as the Lombok Agreement, to provide a framework for the development of the bilateral security relationship.

In 2011-2012, Australia's assistance to Indonesia was worth an estimated \$558 million. Indonesia is Australia's top recipient of bilateral aid. Both countries also have a healthy trade and economic relationship with two-way trade (merchandise and services) worth \$13.8 billion in 2010-11, and two-way investment worth around \$5.7 billion in 2010.

The importance of the Australian-Indonesian relationship can be summarized in a 1994 speech by Paul Keating in which he said, "No country is more important to Australia than Indonesia. If we fail to get this relationship right, and nurture and develop it, the whole web of our foreign relations is incomplete. [...] The emergence of the New Order government of president Soeharto, and the stability and prosperity which [it] has brought to [Indonesia], was the single most beneficial strategic development to have affected Australia and its region in the past 30 years."

The article is an excerpt from a paper recently submitted at a seminar in Canberra, Australia. The writer, dean of the Lee Kuan Yew school of public policy, National University of Singapore, is former Singapore permanent representative to the United Nations.

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Australia's destiny in the Asian Century (Part 2 of 2)

Kishore Mahbubani, Canberra | Opinion | Sat, September 08 2012, 1:47 PM

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However, there are assets that Australia could take for granted too easily. As a Western power, Australia could more easily establish good relations with its Asian neighbors when Western power was globally dominant. It always helps to be a member of the most successful club in the world.

Hence, Australia's close links with London initially and Washington DC subsequently were seen to be an asset rather than a liability in the region.

It also helped that Australia, ASEAN, China and the West were on the same side throughout the Cold War from roughly 1950 to 1990. However, the Cold War has long ended.

The new major geopolitical contest will now be, in one way or another, between America and China. Hence, simultaneously, Australia will soon have to make painful choices on both the cultural and geopolitical fronts.

The time has therefore come for Australia to engage in some hard-headed and tough-minded questioning about its security and foreign policies in the coming decades. I cannot emphasize enough that continuing on auto-pilot is not an option.

As a friend of Australia, I would like to urge it to wake up sooner to the new realities of our world. The earlier Australia makes the adjustments, the less painful they will be.

No one can predict the future, even if we can make reasonable judgments about likely long-term trends. All kinds of geopolitical scenarios could emerge. I suggest some possible geopolitical challenges that could emerge: the Sino-American, the Sino-Indian and the tension between Islam and the West.

Each of these three geopolitical fault lines would pose real challenges to Australia. All would require Australia to make adjustments.

Australia has been blessed with an unexpected but valuable geopolitical buffer: ASEAN. For all its flaws and defects, ASEAN has enhanced Australian security by keeping Southeast Asia at peace (with no refugee spillover onto an empty continent), keeping Asian powers (like China and India) at arms' length and increasing multilateral webs of cooperation which have created greater geopolitical stability.

One of the biggest geopolitical mistakes Australia made in recent decades was to take ASEAN's geopolitical success for granted. Even worse, Australia has, from time to time, tried to undermine or bypass ASEAN in its diplomatic initiatives. All these moves demonstrate that Australia has not fully understood how its geopolitical destiny is going to evolve.

One fundamental flaw in Australia's geopolitical thinking arises from a complacent assumption that Australia will always remain a "middle power" in global rankings. Australia's inclusion in the G20 has contributed to the illusion that Australia will always remain a middle power.

Few Australians are aware that Australia was only included in the G20 because of relative GNP calculations made by Larry Summers and Paul

Martin in 1999. That was when Western power was still at its peak.

As several Asian and other emerging powers grow in economic strength, Australia's position in the global order will slip slowly and steadily. Soon Australia will no longer be perceived as a middle power.

In my new book, *The Great Convergence*, I propose a new 7-7-7 formula for reforming the UN Security Council. There will be seven permanent members, seven semi-permanent members taken from the list of the 28 next-most powerful countries in the world, and seven elected members.

To give equal weight to "democratic representation" and "economic weight", a country's place in the global ranking is based on its average share of global population and global GNP.

Annex A provides a ranking of the 193 UN member states and the EU. As UN seats are distributed according to a formula for regional representation, Australia does not earn a place among the middle powers in the "Western Europe and Others Group" (WEOG) that it belongs to.

Thus one painful decision that Australia will have to make is when it will leave the "Western Europe and Others Group" (WEOG) in all UN bodies. Australia's geographical and geopolitical destiny is in Asia. Its participation in the WEOG is the result of a historical anachronism. How much longer will Australia cling on to a historical anachronism?

The unavoidable conclusion, Australia (and New Zealand) have no choice but to move closer to ASEAN. A new "Community of 12", including the 10 ASEAN countries, Australia and New Zealand, represents the natural geopolitical destiny of Australia. Paul Keating tried to steer Australia in that direction during his Prime Ministership from 1991 to 1996.

Sadly, subsequent Australian Prime Ministers have failed to do so. Many precious geopolitical opportunities were wasted as Australia returned to its traditional historical direction of focusing on the West. More years will be wasted if Australia fails to engage in new thinking.

The article is an excerpt from a paper recently submitted at a seminar in Canberra, Australia. The writer, dean of Lee Kuan Yew School of Public Policy, National University of Singapore, is a former Singapore permanent representative to the United Nations.



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Report

Cynthia Webb / Sat, 08/09/2012 - 16:09pm

Thank you to the author for this far-sighted and perceptive view of the realities of the situation for Australia and NZ, placed as the neighbors of SE Asia - especially Indonesia. Paul Keating was certainly the man who understood this well and it's a great shame that his insights were mostly ignored by his successor, after his Keating's as Prime Minister ended. "The Big Picture" of history as referred to by the author of this piece, is far more revealing than the short-sightedness of so many commentators and politicians.

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