

CHAPTER

1

AUSTRALIAN FOREIGN
POLICY AND THE NEW
INTERNATIONAL DISORDER

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Australia's foreign policy elites could be forgiven for thinking that they live in especially challenging times. The current international order appears to throw up a number of problems that not only defy easy resolution but also threaten to overturn many of the ideas and principles that have underpinned policy-making in Australia for many decades. To be sure, the challenges of the past – especially the two World Wars and the Cold War's proxy conflicts in Asia – should not be belittled; indeed, they seem to dwarf many of the challenges confronting contemporary policy-makers. Yet what appears to have been lost, to quote British sociologist Anthony Giddens (1991), is Australian foreign policy-makers' sense of 'ontological security': the knowledge of what to expect in a rapidly changing world where established structures and institutions seem to be crumbling. This anxiety is a significant phenomenon of our time, whether or not the developments we now observe in international politics prove to be epochal.

Perhaps the most obvious transformation worrying Australian foreign policy-makers is the apparent weakening of the US-centred security order in East Asia and the re-emergence of China as a major power in the region. As Nick Bisley's chapter argues, in the period 2011–15 we have seen the first expressions of a growing Chinese willingness to challenge the status quo, most notably in the East and South China Seas, unsettling Japan, several Southeast Asian states and others in the process. Challenges to the Western-dominated international order have also emerged in Europe, where Russia unilaterally annexed Crimea, taking it from the Ukraine in March 2014, despite strong protests from the European Union (EU) and the United States. Although Australia has cleaved ever closer to its long-standing ally, some commentators have argued that the dissonance

between the US alliance and Australia's close economic relationship with China will grow (White 2015), potentially forcing tougher choices in the future.

Also disconcerting to policy-makers has been the emergence or intensification of a range of transnational, 'non-traditional' security problems, including terrorist groups such as Islamic State, climate change, environmental degradation, pandemics and even, for some, irregular migration. These problems are rarely the result of intentional aggression from another state, but are either the undesirable externalities of economic development or are associated with the activities of non-state groups. They are usually not seen to threaten the state's very survival, but do undermine its real or perceived capacity to protect national populations. Traditional security responses, such as deterrence or alliance-formation, are usually seen as no longer appropriate for these issues, and nor are responses focusing strictly on intergovernmental diplomatic relations. As a result, Australian foreign policy-making has expanded beyond the traditional 'three Ds' – diplomacy, defence and development assistance – to include a range of new departments which previously had a more restricted domestic role. The most significant example from the last five years is the fast-evolving and internationalising Department of Immigration and Border Protection (DIBP). Meanwhile, as Michael Wesley's chapter shows, traditional foreign policy actors in Australia, such as the Department of Foreign Affairs and Trade (DFAT), have had to acquire new ways of implementing and developing policy, as well as establishing new relationships with other agencies inside and outside the Australian bureaucracy, producing new challenges of coordination.

Adding to the broader sense of volatility and uncertainty in Australian foreign policy-making circles in recent years has been the rapid turnover at the top: in the five years since 2010, Australia has had five prime ministers and four foreign ministers. To be sure, there has been considerable continuity in how Australian governments of both the centre-left (the Australian Labor Party) and the centre-right (the Liberal–National Coalition) have approached key foreign policy issues, most notably the US alliance and the treatment of asylum seekers arriving by boat. Even where policy differences between the major parties have been small in practice, however public debate has often been sharply polarised, as Lorraine Elliott explains in regard to climate change. Traditionally, foreign policy-making in Australia was seen as an elite pursuit, dominated by a handful of policy-makers and bureaucrats with limited scrutiny, even by Parliament (Firth 2005). Yet, increasingly the public discourse surrounding foreign policy issues has taken on populist tones, as the issues, and the way they are managed, are seen as having implications for Australians' everyday lives. This, we argue, reflects the blurring of the distinction between domestic and foreign policies wrought by the growing complexity associated with public policy-making in an interconnected, globalised world. It is, in other words, another manifestation of the same processes that have made foreign policy-making appear more challenging in general.

Specifically, the tighter interplay between the domestic and foreign policy arenas has broadened the range of interests and groups with a stake in the way many foreign policy issues are managed. This has two important and interrelated implications: first, it is clear that attaining coherent, 'national' positions on most issues of consequence is becoming more difficult in practice than in the past. Second, from a normative perspective, governments' claims to be acting in the 'national interest' internationally are becoming even more problematic. As Ramesh Thakur's chapter in this volume outlines, in reality the idea of a distinctive national interest has always reflected contested choices and preferences,

manifesting political and normative differences over what could or should be done. As Andrew Phillips' chapter reminds us, foreign policy has been part of the construction of particular national identities and social relations within Australia since before Federation. Yet the relationship between foreign policy and identity-construction at home is becoming more contentious, as it is increasingly apparent that acting in the national interest actually advances only some interests within Australian society.

Mindful of these developments, we have decided to break with tradition and make this the first edition of *Australia in World Affairs* since the series began in 1950 to be organised around key themes and issues in Australia's international relations and foreign policy, rather than around Australia's bilateral relations. The most important issues today encompass a set of processes and relations that cannot be simply or adequately captured through an emphasis on the relations between two or more governments. For example, Australia's bilateral relations with Indonesia were obviously affected by its policy of unilaterally towing boats carrying asylum seekers back into Indonesian waters from late 2013. But it clearly makes more sense to examine this development and its implications in the context of Australia's broader response to irregular migration, which encompasses domestic debates and policy changes, international legal aspects, and relations with several countries, including Papua New Guinea, Sri Lanka, Cambodia and Nauru; to name but a few. Sara Davies' chapter takes on this challenge.

Nonetheless, conscious of our duty to produce a journal of record and a reference tool for diverse readerships, we provide a chronology of important events in Australia's international relations and foreign policy for the period 2011–15 and a list of prime ministers and relevant ministers. We also encourage readers interested in Australia's relations with particular countries or regions, such as Southeast Asia, to make use of the detailed index.

In this introductory chapter, we trace some of the key elements of the emerging new international disorder that Australian foreign policy-makers are learning to navigate. We then consider how Australian governments have understood and responded to these changes and the normative implications of these policy responses.

A LESS PREDICTABLE WORLD ORDER

Australia now seems to be facing a more uncertain international environment than it has done for decades. Serious transnational threats that are beyond the capacity of Australian policy-makers to alleviate single-handedly seem to be multiplying, while the rise of China appears to challenge the long-standing US-led security order in Asia. Both potentially undermine traditional approaches to foreign policy-making in Australia.

Although the emerging international order has multiple sources, particularly important are the effects of the end of the Cold War and the deepening and intensification of a range of processes subsumed under the rubric of 'globalisation' (see Held et al. 1999). The end of the Cold War had been seen by some observers as reflecting the triumph of liberal capitalism as 'the end of history' (Fukuyama 1992). As non-capitalist alternatives were weakened and the threat of large-scale war between the superpowers receded, many states, especially the United States, were able to refocus their foreign policies towards opening up markets for 'their' corporations in other countries (Smith 2005). Thus, during the 1990s there was a noteworthy, though partial, shift in the priorities of policy-makers

around the world, from geopolitics to geoeconomics (Luttwak 1990). Geoeconomics is distinguished from geopolitics in that the latter emphasises power in the context of a territorially demarcated state system, whereas the former emphasises power underpinned by control over trans-border flows and markets (Cowen and Smith 2009). The shift to geoeconomics has also entailed a change in the way security is understood, from a near-exclusive focus on the threat posed by powerful states towards a more comprehensive view of security that includes a range of border-spanning, often non-state, security problems, such as environmental degradation, climate change, organised crime, terrorism, infectious disease and even irregular migration (Cowen and Smith 2009; Hameiri and Jones 2015b).

In short, what we have seen is a partial change both in policy-makers' perceptions of the international economic and security environments and in the ways in which they seek to deal with these issues. This process of globalisation continues today, despite the apparent decoupling of emerging economies from the traditional centres in the North Atlantic since the onset of global financial crisis. First, the perception of transnational vulnerability to new security problems is now firmly established and not subject to the ebb and flow of interstate economic relations. Second, the winding down of the US Federal Reserve's program of quantitative easing appears to have affected investment in emerging economies, leading to significant economic downturn, especially in Brazil, which has seen its gross domestic product (GDP) go into negative territory. In China, meanwhile, current economic wobbles and a long-term crisis of over-capacity suggest that the government stimulus program could not forever defy the downward pressures on economic growth wrought by declining demand in the West. Andrew Walter's chapter outlines some of these issues.

As Cold War strictures dissolved, however, the relationship between what we might describe as 'structure' and 'agency' in international politics also changed. Traditionally, international relations scholars and policy-makers have understood both structure and agency in world politics as constituted by inter-state relations. Now, however, internal and external transformations associated with globalisation have eroded the neat separation of the world into territorialised 'power containers', which the Cold War had reinforced (Giddens 1985; Agnew 1994). As a result, even for the most powerful states, the outputs of foreign policy decisions have become more complex and unpredictable. A clear example is provided by the second Iraq war, widely regarded as one of the most catastrophic failures of US foreign policy of recent times, possibly ever (Stiglitz and Bilmes 2008). Although US and allied forces were far superior militarily to their rivals, the US goal of establishing a liberal democracy in Iraq has proven elusive. This conflict has spilled over into a more generalised regional instability, involving new actors such as the Islamic State, which defies obvious means of resolution.

The United States' inability to attain key foreign policy objectives, or even to contain the negative consequences of earlier failures, amplifies the challenges and dilemmas facing Australian policy-makers.

Globalisation and governance

Most practitioners of foreign policy, if asked to put a label on their worldview, describe themselves as 'realists'. Even though this is invariably a synonym for a sort of hard-nosed pragmatism and privileging of the so-called national interest, rather than any detailed theoretical claims, it is revealing and important, nevertheless. The foreign policy

establishments of both the United States and China, for example, are overwhelmingly populated by realists of one sort or another, and Australia is no different (Gyngell and Wesley 2003). Indeed, when people think their counterparts elsewhere are acting on the same assumptions as they are about the supposed risk of conflict, the struggle for survival and the importance of self-help, specific patterns of behaviour can become all-too-predictable and self-fulfilling (Fravel 2010).

Yet processes of deepening economic and security interconnection are beginning to change world politics in practice, if not in the way some policy-makers perceive it. For example, it is increasingly difficult to say where a product comes from, or what the 'national economic interest' may be when it comes to attracting footloose foreign capital or negotiating trade agreements. Some argue that national trade figures are, in fact, completely meaningless as a consequence of the disaggregated, transnational nature of many contemporary production processes (Gereffi et al. 2005). For instance, Apple's highly successful iPhone is 'made in China', but only about 2 per cent of the total value generated in its production process remains in China. Yet the cost of the entire manufactured phone is counted as a Chinese export, thus adding to China's massive trade imbalance with countries such as the United States and Australia (Kraemer et al. 2011). Elizabeth Thurbon's chapter in this volume looks at Australia's trade and industry policy.

Although nationally based political actors still take national economic statistics seriously, and regard them as a measure of policy efficacy, attaining economic growth in the current context is increasingly reliant on relationships and processes extending beyond national borders and intergovernmental relations. Managing growing economic integration across borders had historically been attempted through the construction of multilateral institutions, which are said to reduce transaction costs in international politics, leading to more efficient and effective outcomes (Keohane 1984). These state-based multilateral institutions are a key part of what has frequently been called 'global governance' (see Sinclair 2012).

It has traditionally been assumed, not only by realists, that although such forms of governance are emerging in issue-areas associated with 'low' politics, such as the economy, when it comes to the 'high' politics associated with the security of the nation-state itself, not much has changed (Keohane and Nye 1977). States, the argument goes, are still driven primarily by the search for security from other states (Kirshner 2012). There is some merit in this perspective, as the threat of inter-state military conflict remains present. And yet the range of issues now preoccupying policy-makers has expanded dramatically with real effects on security governance.

Globalisation has led to the emergence of a popular awareness of mutual global vulnerability to shared transnational threats: a phenomenon dubbed 'banal cosmopolitanism' by the late Ulrich Beck (1999). For example, a disease outbreak in a Southeast Asian village is now often seen and managed not as a local problem but as a potentially global one, easily spread through aviation links. This sense of vulnerability has deepened independently of whether non-traditional security problems have actually worsened in recent decades. Hence, Australia's 2013 Defence White Paper, although maintaining considerable space for traditional security concerns like inter-state war, elevated several transnational, non-traditional security challenges to the top of the agenda; including climate change, terrorism, cyber-security and fragile states (Department of Defence 2013).

In the realm of non-traditional security, too, multilateral institutions are often seen as a means of managing international interdependence. It has become painfully apparent,

however, that contemporary efforts to make cross-border relationships more effective through multilateral institutions have generally not lived up to the hopes of their architects. These problems have led some commentators to conclude that global governance is in crisis and ‘at risk’ (Held and Charles 2013). The World Trade Organization’s trade liberalisation agenda, for example, has almost completely stalled for the past 15 years (Murphy 2000; Wade 2011). The EU – formerly the benchmark for cross-border cooperation and coordination – is also now struggling to develop a coordinated and just response to the massive flows of refugees from the war-torn Middle East. It has also struggled to manage the regional currency, the euro, against a backdrop of recurring financial crises in southern states, and at the time of writing is even facing the possibility of a British exit or ‘Brexit’. The EU’s problems are emblematic of the difficulty modern states face: some of the most pressing issues of our time, such as climate change, simply cannot be addressed within a policy framework defined by the national interest, at least as it is conventionally understood (Burke 2013). Yet few governments are willing to cede their sovereignty to supranational institutions.

Contingent national differences of interest and outlook provide some explanation for the difficulty in realising functioning forms of multilateralism, no matter how normatively desirable. Because different countries often have divergent, potentially incompatible ideas about how the world should be run and who should set the rules that may govern it, agreement is inherently difficult (Beeson and Li 2015). Indeed, some increasingly consequential international actors, such as ‘rising powers’ like China, appear to reject the idea that the international liberal order, established by ‘the West’ and epitomised by the Bretton Woods institutions, is legitimate (Wang 2015). Many commentators have thus read the new China-led Asian Infrastructure Investment Bank (AIIB), established in 2015, as a direct challenge to the existing multilateral order (Browne 2015). The Abbott government eventually resisted American pressure, and Australia joined the AIIB as a founding member in 2015, along with other US allies, such as the United Kingdom, but the episode highlighted the difficulty of reconciling competing economic and strategic agendas. Compounding the challenge is the fact that addressing problems of interdependence in most cases involves challenging established domestic power structures, thus multiplying the number and scope of possible conflicts associated with implementing new multilateral regimes.

The crisis of multilateralism does not mean, however, that attempts to construct forms of global governance for managing transnational problems have ceased. Today, global governance is increasingly being pursued not through supranational institutions empowered to govern issue-areas directly, but by attempts to transform states’ internal governance to enact international regulations and governance standards domestically (Hameiri and Jones 2015a). This has entailed considerable shifts in the way security issues are governed within the state, associated with broader processes of state transformation under globalisation (Bevir and Hall 2014). Over recent decades, there have been striking and widely noted changes in the way many states operate and in their internal organisation, encapsulated famously as a shift ‘from government to governance’ (Rhodes 1997). In the context of globalisation, many states have partly shed their more traditional, Weberian ‘command-and-control’ structures, dispersing authority from the central state onto a diverse range of agencies and networks, which often include non-state agencies as well (Hooghe and Marks 2003). In relation to transnational issues, specifically, much

governing today occurs through functional networks of specialist regulators and agencies, not through more conventional forms of intergovernmental diplomacy and multilateralism (Slaughter 2004).

Thus, in many policy domains, not least in the context of non-traditional security problems, efforts are underway to reshape state institutions, laws and governance processes in accordance with global priorities, regulatory standards and action plans (Hameiri and Jones 2015a). The agencies of rich states, including Australia, increasingly link directly with peers across borders and even with non-state counterparts to shape other states' governance outputs towards the amelioration or containment of transnational challenges. This further adds to the erosion of the distinction between domestic and foreign policy, as intervening across borders is seen to be essential for attaining domestic policy priorities in areas such as health, policing and immigration.

For example the DIBP, which historically only had a limited foreign policy role, has been working directly with, and funding the operations of, immigration agencies in Sri Lanka, seen as a significant migration source and transit point. Arrivals are monitored at Colombo's international airport to identify and intercept individuals deemed at risk of later attempting to reach Australia. The DIBP also funds and oversees offshore detention centres in Nauru and Papua New Guinea (PNG), run by local authorities and private contractors, designed to deter arrivals and circumvent Australian legal protections for refugees. The potential drawbacks of these sorts of policies were highlighted by the PNG government's decision to close the Manus Island immigration detention centre following a ruling by the Supreme Court of PNG. In short, Australian foreign and domestic policy is increasingly dependent on the actions of other states over which it has limited influence.

The rise of China

The second major process upsetting long-held Australian foreign policy conventions is the remarkable rise of China, which may prove to be the most important development in Australia's part of the world since Federation. The big, much-discussed question facing Australian policy-makers in the current era is whether Australia can simultaneously have a good relationship with its most important trade partner (China) and its principal security guarantor (the United States) when they are locked in an increasingly fraught and potentially dangerous power struggle of their own (Reilly 2012; White 2011). The opportunities and challenges associated with a rapidly changing Asia were the subject of a Gillard government White Paper in 2012 on 'Australia in the Asian Century', and while the White Paper was quickly abandoned when the Australian Labor Party (ALP) lost government in September 2013, the issues discussed in it remain live – including Australia's approach to regionalism, as discussed in Baogang He's chapter. A number of the other contributions to this volume talk about the significance of various aspects of China's rise for Australia in some detail, so we shall not attempt an exhaustive coverage here. However, given the game-changing nature that China's rise has had on nearly every aspect of Australia's foreign policy and much domestic policy, too, it is worth making a few preliminary remarks.

The rise of China is viewed by many international relations scholars as the latest chapter in an endless story of 'power transition' in international politics (see Mearsheimer 2001). Yet it is impossible to understand China's rise and its various dimensions and manifestations

without acknowledging the context of economic globalisation and China's position within this (Breslin 2013; Hameiri and Jones 2016). The impact of 'China' demonstrates just how difficult it is to describe or conceptualise relations with a single country in our globalised times when we are actually talking about a series of economic, strategic and even political forces that have different effects across a range of issue areas. Although it has been the impact of China's own increasingly assertive if not aggressive foreign policy in the South China Sea that has captured much of the media and policy-making attention (Fravel 2011; Kaplan 2014), the consequences of China's economic development have arguably been even more significant (Subramanian 2011).

The inescapable reality is that China's economic renaissance has changed the pivotally important region to Australia's north, a region that has historically been a source of both threat and opportunity. For most of the post-war era, until quite recently, East Asia was seen as an opportunity rather than a threat. With the unprecedented economic and especially strategic resurgence of China, however, older concerns about international security have also resurfaced (Beeson and Wilson 2015). The response among policy-makers in both of Australia's major political parties has been a familiar pattern of reinforcing alliance relations with the United States (Entous and Barnes 2014; Bisley 2013). Australia has greatly strengthened the alliance with the United States by, for example, allowing for the rotation of a 2500-strong US Marine force in Darwin by 2017–18, as part of the Obama administration's so-called 'Pivot to Asia'. Australia has also sought a closer security relationship with the United States' most important regional ally, Japan. Although formal relations fall short of a security alliance, Australia and Japan have signed a range of agreements and declarations since 2007. Most recently, in July 2014 prime ministers Abbott and Abe signed a new agreement on the transfer of defence equipment and technologies. Although this is rarely made explicit, this intensification in security cooperation between the two countries is undoubtedly related to apprehensions in both capitals and in Washington regarding China's rise.

While this may be understandable enough, perhaps, given the destabilising nature of some of China's recent actions (Otto and Ng 2015), it is not clear whether Australian policy-makers will be able to compartmentalise the different aspects of the overall bilateral relationship. Clearly, the Chinese government is unimpressed by Australia's closeness to the United States, or Japan for that matter. The Chinese government did not appreciate China being singled out as a potential hostile power in the 2009 Defence White Paper (Stewart 2009), although this reference was removed from the 2013 White Paper. Australia's support for a more assertive US policy in the South China Sea in late 2015, including not ruling out dispatching Australian naval ships to sail through contested waters, was also badly received in Beijing.

Resolving the strategic dilemma is difficult enough, as Hugh White's chapter reminds us. But the downturn in China's economy illustrates how exposed Australia's highly open economy has become to economic trends and developments over which it has no control. As the decade-long commodities boom that propped up Australia's balance of payment has evaporated, it has also transformed Australia's economic prospects. To be sure, reliance on international trade in commodities is nothing new for Australia (McLean 2013). Recently, however, that reliance has intensified, as Jeffrey Wilson explains in his chapter, and this has had a profound impact, not only on the structure of Australia's domestic economy but on its politics, too.

The overthrow of Prime Minister Kevin Rudd following a concerted media campaign by peak mining bodies to undermine a proposed ‘super-profits’ tax on mining companies is telling (Davis 2011). Indeed, the mining industry’s success was complete when the Abbott government in September 2013 unceremoniously dumped the much-weaker mining profits tax introduced by the Gillard government, precisely at the point in which it was about to finally deliver returns to taxpayers. In turn, Australia’s openness to foreign investment in the resource sector, a result of the unshaken faith of both major parties and leading bureaucrats in the benefits of liberal markets is, Wilson argues, increasingly unusual in a world of rising ‘resource nationalism’. It potentially creates more problems in Australia’s relations with China. For instance, the rejection of Chinese state-owned enterprise Chinalco’s bid for a stake in Rio Tinto’s iron ore operations in Australia has been understood in China as politically motivated, heaping further stress on the bilateral relationship. In reality, however, the bid was rejected on grounds of protecting Australia’s market economy (Wilson 2011).

The growing depth and breadth of society-to-society relations between Australia and China extends even further, creating problems for the intergovernmental relationship in surprising ways. For example, Australia has become caught up in the so-called ‘fox hunt’ as China pursues its nationals who have fled overseas to avoid prosecution for corruption and other criminal activities (Wen 2015). Some of the seemingly worst offenders have been involved in high-profile purchases of ‘trophy’ properties in Sydney, creating a potentially awkward domestic problem over the politically sensitive issue of housing affordability.

The relationship with China consequently demonstrates just how multidimensional, complex and difficult ‘foreign policy’ can be in the current era when domestic and external forces interact in unpredictable and novel ways. For better or worse, however, attempting to manage relations with China is going to be the litmus test of policy efficacy for any Australian government for the foreseeable future.

AUSTRALIA’S CONFLICTED FOREIGN POLICIES

The second part of this introductory chapter examines in broad terms the way Australian governments have responded to the changing environment described above. It is first important to note, however, that the impact of global turmoil has been compounded by the unusual instability afflicting Australian government in 2011–15. In this period, the prime ministership was occupied by four different individuals: Julia Gillard, Kevin Rudd, Tony Abbott and Malcolm Turnbull. Two prime ministers, Julia Gillard and Tony Abbott, were removed by their own political parties through a party caucus vote. Australia also had three ministers for foreign affairs in the same period, with Bob Carr replacing Kevin Rudd in March 2012, to be replaced by the Coalition’s Julie Bishop following the September 2013 federal election. A list of prime ministers and relevant ministers during the period is included in this volume for ease of reference.

These key personnel changes have important policy consequences. Although Australian foreign policy-makers have to navigate an international environment over which they have very limited influence, the form that any country’s foreign policy takes and the specific forces that help to shape it are far from universal, inevitable or ‘natural’ (McSweeney 1999). Public policy in general tends to be contested because policy decisions shape the distribution of power and resources in society, privileging or marginalising particular

interests and normative agendas. Foreign policy is no different. Like other states, Australia has a unique package of historical circumstances, policy traditions and capabilities, political forces, economic conditions and social values that help to shape 'our' foreign policy (Wesley and Warren 2000). The inverted commas are necessary because we also need to recognise that even when we do take notice of the specific factors and attributes that shape national foreign policy outcomes, ultimate responsibility for generating policy rests with the government of the day or the handful of people actually responsible for making policy, and the results are typically far from universally accepted.

What this suggests is that the much-invoked notion of the national interest is just that: a notion (Weldes 1996). Despite the frequency with which this idea is deployed by politicians and commentators, there is nothing inevitable about the form it takes, or the policies associated with its promotion. Even in the security arena – the one area in which we might intuitively expect uniformity of opinion – there can be significant differences in the way it is pursued. Should traditional military security actually be accorded the highest priority at a time when inter-state war has all but disappeared and Australia faces no 'realistic' conventional threat? Even if traditional security is still accorded the highest priority, how should it be achieved, and how do 'we' determine our friends and enemies? Is it in Australia's national interest to prevent all asylum seekers arriving by boat from resettling in Australia, or would a more humanitarian approach serve it better? These are in part questions of analysis, but they are, at a more fundamental level, questions of about values.

In Australia's case there is surprisingly little public debate over some issues we might think were pivotally important, such as how to balance the rise of China with Australia's security alliance with the United States (Bisley 2013). This has important consequences for Australia's role in the world, since its capacity to exercise 'middle power' diplomacy in a more fractured regional order will be limited by its close, apparently unquestioning alliance with the United States, an issue to which we will return. At the same time, the increasing conflation of domestic and foreign policies associated with growing economic and security interconnectedness has also polarised opinion on how to manage some issues, introducing a dose of populism into an arena where bipartisanship used to be more common.

The continuing controversy surrounding asylum seekers arriving by boat is a good example. Such arrivals are, of course, not a new concern in Australia. Vietnamese boat arrivals in the 1970s caused a major political debate, but the Fraser government decided to accept them as part of Australia's obligation to refugees from a country in which Australian troops had just fought. By 2001, however, boat arrivals had come to be portrayed as a security threat, at the heart of Australia's border protection regime, and even as a matter of defending 'national sovereignty' (McDonald 2008). The 'Tampa affair', where a Norwegian ship with rescued asylum seekers on board was prevented from coming to Australia, is often credited with helping John Howard win the 2001 election he was expected to lose. It has remained a live political issue ever since, as outlined by Sara Davies in her chapter.

Kevin Rudd's first government abolished the Coalition's offshore processing policy and the number of boat arrivals in Australia began to rise again. When Tony Abbott became Opposition Leader in 2010 he made this issue one of his main battlegrounds with the Labor government. Abbott promised to reinstate offshore processing but, unlike Howard, to deny the asylum seekers processed any chance of resettlement in Australia. Controversially, the Coalition also promised to turn back boats coming from Indonesia.

After suffering serious political damage, the Gillard and second Rudd governments adopted many of the Coalition's policies, including offshore processing and the denial of resettlement in Australia. When Abbott became Prime Minister in September 2013, his government completed the securitisation of boat arrivals by establishing an interagency task force, Operation Sovereign Borders (OSB), led by a high-ranking military officer, to coordinate the response, allowing the government to maintain a veil of secrecy over the issue. OSB has enacted the tow-back policy, as well as allegedly paying boat-owners in Indonesia not to transport Australia-bound asylum seekers. These policies have strained relations with an Indonesian government already unhappy about Wikileaks' revelation in 2013 that Australia's intelligence-gathering agencies were spying on senior Indonesian leaders, including President Susilo Bambang Yudhoyono. This chain of events demonstrates the tightening interplay between domestic and foreign policies and the difficulty of compartmentalising policy arenas. It also demonstrates, however, that Australian policy-makers do have important, value-laden choices to make in the foreign policy arena.

Australian foreign policy: 'middle power' and beyond

From the 1980s, as Australian governments began to contend with the growing challenges of economic and security interdependence, they saw international activism, especially in multilateral forums, as a way of increasing Australia's limited capacity to advance its foreign policy goals. It has thus become increasingly commonplace to describe Australia as a 'middle power'. In this context, at least, policy-makers have taken on board a theoretical idea drawn from international relations scholarship and incorporated it into the day-to-day language of policy-making and even explanation. Policy-makers from both major political parties in Australia routinely refer to Australia's role as a 'creative middle power' with the capacity to 'punch above its weight'.

While this might be a combination of wishful thinking and delusions of grandeur at times, there are two good reasons for taking the ideas associated with middle powers seriously: first, as we have suggested, it is the language that policy-makers in this country have increasingly embraced, so it is important to have some idea about what it might mean. To be sure, ahead of Australia's hosting of the Group of 20 (G20) major economies leaders' meeting in November 2014 in Brisbane, Foreign Minister Julie Bishop called Australia a 'top 20 nation', rejecting the 'middle power' label as misleading. Yet, at the same time, Australia has played a key role in setting up a grouping of 'middle powers' with Mexico, Indonesia, South Korea and Turkey (MIKTA); which met in September 2013 for the first time. This term was also frequently used, for example, to explain Australia's bid for a seat on the UN Security Council in 2013–14, and for the UN Human Rights Council in 2018–20. Second, middle power theory, if that is what it is, is the only conceptual framework that specifically addresses the sorts of issues that are presumed to concern countries such as Australia (Beeson 2011).

The meaning of the concept of 'middle power' is not uniformly accepted in the literature. One way of defining middle powers is by their material attributes: neither 'great' nor feeble or failing, with some capacity to exert an influence in their regions. Indeed, it appears that this is what Bishop was referring to when rejecting Australia's 'middle power' self-description in 2014. Unfortunately, this definition potentially covers