

[ADRN Issue Briefing]

## Australia's Role Supporting Democracies as a Middle Power

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Australia has benefitted from the international rules-based order for more than 70 years. The vision of a region governed by democratic norms, international rules and robust multilateral engagement has not only supported Australia's economic and social progress (Department of Foreign Affairs and Trade (DFAT) 2017, 12), but helped to form Australia's understanding of its place in the world and its identity as an international actor. As the Department of Foreign Affairs and Trade's 2017 *Foreign Policy White Paper* states "Australia does not define its national identity by race or religion, but by shared values, including political, economic and religious freedom, liberal democracy, the rule of law, racial and gender equality and mutual respect." (DFAT 2017, 11). Indeed, these liberal democratic principles shared with the United States are key to the trust and mutual understanding that underwrites the US-Australian alliance and growing cooperation with Korea and other democracies as Australia seeks to navigate complex twenty-first century challenges (Wong 2023).

Key among the challenges is China's growing influence, military build-up and attempts to 'rewrite the rules' in Australia's near region. Strategic competition between the United States and China is increasingly a contest of alternative narratives and visions for how the Indo Pacific region should operate. Australian Foreign Minister Penny Wong, in a speech to the National Press Club in April 2023, made this geopolitical dynamic unmistakably clear, stating: "*strategic competition is not merely about who is top dog, who is ahead in the race, or who holds strategic primacy in the Indo-Pacific. It's actually about the character of the region. It's about the rules and norms that underpin our security and prosperity, that ensure our access with an open and inclusive region, and that manage competition responsibly*" (Wong 2023).

The ideological dimension of China's aspirations for unchallenged regional primacy, and its illiberal and coercive behaviour both domestically and throughout the region, stand contrary to the agreed upon norms and regional character that Australia favours. At home, China's behaviour has included the repression and jailing of dissidents, extensive censorship of media, and widespread human rights violations in Xinjiang. Such domestic actions are increasingly congruous with China's engagement in the region, where its efforts to undermine democratic norms and systems include economic coercion, bribery, and escalating territorial disputes with its neighbours.

Canberra has itself faced extensive pressure from China to undermine Australia’s sovereignty and commitment to democracy— most notably detailed in Beijing’s sharing of 14 grievances with Australia in 2020 (Kearlsey 2020a, 2020b). As a well-developed democracy allied with the United States, Australia has remained resolute in the face of such pressure (Department of Home Affairs 2023). Beyond its shores, however, Canberra is increasingly concerned about China’s efforts in the region, which features far less robust democratic systems and norms. Among Australia’s top concerns is the way these actions may disrupt regional stability, exacerbate geopolitical tensions (Wong 2023), as well as compromise states’ sovereignty — their ability to disagree, be self-determined and exercise choice. China’s actions and the resilience of these regional democracies will ultimately have significant impacts on Australia’s own national security.

### **THE COMPLEXITIES OF MIDDLE POWER**

While the use of the term is contested (Abbondanza 2022; Carr 2014), recognising Australia’s status as a “middle power” and its close though qualitatively different relationship with both the United States and China is essential to understanding the Australian approach to supporting a democratic order in the Indo Pacific. Australia may be ideologically aligned with the United States about the challenges that China’s ambitions present to the international rules-based order; but, as a middle power, the extent to which Australia alone can rebuff Beijing’s illiberal behaviour, both domestically and in the region, and withstand the potential consequences of such action, is limited.

That is not to say Australia’s commitment to standing up for a democratically led order in the region is weakly held, or that Australia will merely follow in the footsteps of other, more powerful, regional players. On the contrary, Australia has often pursued its interest in a rules-based Indo Pacific without prompting and at considerable expense. This was no more evident than Australia’s experience of Chinese economic coercion following its call for an inquiry into the origins of the coronavirus in May 2020. Rather, Australia’s middle power status means its pursuit of democratic standards involve more difficult strategic calculations.

For Australia, like many other nations in the Indo Pacific, China is an indispensable trading partner and maintaining positive and cooperative engagement with China is a strategic necessity. Nearly 30 percent of Australia’s two-way trade in goods and services, totalling A\$287 billion in 2022, is with China alone (DFAT 2022), and China represents the number one destination for many of Australia’s top exports, including coal, iron ore, wine and petroleum gas (Interesse 2023). A stable relationship with China is therefore vital to Australia’s interests and certainly informs how Australia has and will negotiate disparities in the two major powers’ competing visions for the character of the region.

Beijing’s willingness to weaponise economic relations was evident in the massive embargo imposed on Australian exports of wheat, wine, coal and other products in response to the Australian government’s call for an international investigation of the origins of the COVID pandemic. Both Coalition and Labor governments refused to bend to Beijing’s pressure campaign, diversifying its market of effected exports to partners with Japan, South Korea, Taiwan and India doubling their purchase of Australian goods since 2019 (Uren 2023). Yet, Australia’s perception of risk in its relationship with China extend beyond trade and include considerations like cybersecurity, foreign

investment and interference in the political system (Packham 2018) and have led Australia to strengthen security ties with the United States and others through AUKUS and the Quad. While wearing the fallout in economic relations from China well, Canberra remains careful about which fights it will pick with Beijing. As clarified by Foreign Minister Wong’s speech, the government’s policy on China is to “*cooperate where we can, disagree where we must, manage our differences wisely, and above all else, engage in and vigorously pursue our own national interest*” (Wong 2023).

Beyond resisting and rebuking China’s illiberal trade behaviours, Australia’s pursuit of its national interest in such a contested geopolitical environment will require Australia to have, according to Minister Wong, “a response of unprecedented coordination and ambition in [its] statecraft” (Wong 2023) and for Australian policymakers to view diplomatic strategy as needing as much vigour and sophistication as traditional deterrence and security strategies. The Albanese government’s increased diplomatic efforts have seen it ramp up Australia’s bilateral diplomatic engagement in the Pacific Islands and Southeast Asia, including the delivery of the largest increase to Australia’s overseas development assistance since 2011–12, and the launch of a parliamentary inquiry in September 2022 to evaluate how Australia might promote democratic institutions and support civil society in the region. The resultant report is expected shortly.

## **WORKING TOGETHER: AUSTRALIA’S ADVANTAGES**

Amid new geopolitical imperatives, and this new era of Australian ‘statecraft’, Australia cannot afford complacency, and will need to maximise its existing advantages to support regional democracies and the rules-based order. Like its response to emerging security threats and military developments from Beijing, Australia can similarly overcome some of the complications and limitations of its middle power status by cooperating more closely with likeminded states in pursuit of mutual interests.

When it comes to diplomacy, Australia has a key role to play leading multi-state efforts that bolster democratic resilience in the region. Australia has historically punched above its middle power status and outperformed several of its more militarily- and economically- advanced peers (Lowy Institute 2023). Australia’s development and election assistance is more sizeable than any other in the Pacific Islands region (National Endowment for Democracy (NED) and United States Studies Center (USSC) 2023). The Department of Foreign Affairs and Trade leads several sophisticated development programs designed to enhance the economic prosperity of small island states including the Pacific Step Up and Pacific Australia Labour Mobility Scheme (DFAT 2023). And, in its history, has led peace keeping missions in several Pacific Islands and Southeast Asian countries, including in Cambodia, Timor-Leste and the Solomon Islands (Bishop 2013). When it comes to multidimensional statecraft, Australia appears to be an overachiever (Piper and Patton 2023).

While committed to advancing democratic norms in its foreign policy, Australia usually takes a more circumspect approach to framing foreign policy around democracy. One example is the current Labor government’s formula for regional strategy. Called a “free and open Indo Pacific” approach by the Biden and Kishida governments, Australia’s closely aligned strategy towards the region goes under the monicker “peaceful and prosperous Indo-Pacific.” In a strategic competition marked by a battle over narratives, this difference is noteworthy in terms of signalling if not substance. Nevertheless,

Australia, like Japan and others, implicitly acknowledges that the continuation of US-led liberal values is within regional states' interests for a peaceful and stable region, and that interconnected democracies do better at averting conflict and maintaining peace. In some respects, Australia's support for NGOs in the Indo-Pacific both directly and through NGOs such as The Asia Foundation, stands in contrast to Japan and Korea's approach, which still rely overwhelmingly on seeking approval from host governments to support civil society, even when those governments are authoritarian and hostile to independent civil society. Australia also far outspends other donors on women's empowerment in the region as a percentage of overall assistance (a new gender strategy is currently under review in DFAT).

The debate about democracy support is often framed in a bipolar construct –often by Beijing, which claims all of Asia shares its scepticism of democracy –and sometimes by Washington, which sometimes lumps Asian democracies in with Western European democracies as occurred in the 2021 Summit for Democracy. In fact, the Indo-Pacific order has strong multipolar dynamics which affords democracies like Australia, Korea or Japan the opportunity to frame democracy more directly in terms of self-strengthening and resilience that will resonate with developing Southeast Asia and the Pacific. This approach would complement and add nuance to the US-led approach and could prove, as Minister Wong said in her speech at the UN General Assembly in 2022, that middle powers are “more than just supporting players in a grand drama of global geopolitics” (Wong 2022).

### A WAY FORWARD

As Freedom House's *Freedom in the World* report for 2023 portends, freedom in the Asia-Pacific region may have improved slightly in recent times, but the challenge for democracies to uphold and defend their democracies against corruption, human rights violations and pressure from authoritarian regimes persists unabated (Freedom House 2023). There are three areas for regional cooperation where Australia has advantages and aligns with its policy orientation on democracy support that are worth further consideration.

The first is the expansion of development finance and infrastructure initiatives. While Beijing advances development finance and infrastructure programs, like the Belt and Road Initiative, that are seen to pose a security risk to Australian interests, Australia and other like-minded democracies can work together to provide alternatives by establishing the architecture for transparent and fair development programs. Australia's middle power status and experience in the region allows it to have a unique role in this regard. As Penny Wong said in her press club speech, “*we want Australia to be a partner of choice for the countries of our region. Partners, not patriarchs.*” Many existing arrangements, including the Quad and the Blue Dot Network – the trilateral partnership between Japan, Australia and the United States – are attempting to establish these mechanisms as credible alternatives to China's Belt and Road Initiative. In combination with a continued focus on enhancing the development aid budgets of each allied nation, these allied efforts will ultimately bolster democratic outcomes and help defend against the malign efforts of economic exploitation of vulnerable developing states.

Second, and relatedly, Australia can redouble its efforts in economic development and women's political and economic empowerment. Evident in the impetus for Australia's economic programs in

the Pacific, Australia's foreign policy recognises the linkages between economic development and regional stability. It similarly expects women's empowerment to multiply the effect of positive foreign policy outcomes and engagement. The research on this relationship is instructive. For example, research by the Council on Foreign Relations has found that when women's representation in parliament improves by just five per cent, a country is almost five times less likely to respond to crises with violence (Robinson and James 2023), and that women's involvement in peace negotiations makes them significantly longer lasting and less likely to fail (Council on Foreign Relations n.d.). DFAT's Pacific Women Lead program, which has A\$170 million budgeted over five years from 2021–26 to fund and partner with civil society organisations that advance women's equality, is but one example of Australia's engagement in this space. Australia, using the models established in its Pacific Step Up and Labour Mobility Scheme, can lead the charge of regional partners collaborating on their efforts.

Finally, Australia can work with other states towards the development of tools for overcoming corruption. As the 2023 Sunnylands Statement on Enhancing Democratic Partnership states, “tackling systemic internal and transnational corruption [is] ... a key opportunity for democracy advocates to demonstrate collaboratively that democracy delivers better governance and economic results for citizens” (NED and USSC 2023). Australia strongly upholds the values of openness, transparency and accountability and is recognised for doing so. It is therefore well placed to champion international standards on anti-corruption with other regional states. Working with other nations in the region, this might look like the establishment of an anti-corruption watchdog and accountability mechanisms that monitor trends of corruption and best approaches to holding leaders and agency accountable. For one thing, Australia could lead the charge developing policy approaches that might and resourcing the data collection and intel needed to prosecute and investigate instances of corruption in vulnerable states.

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