



Australian Government

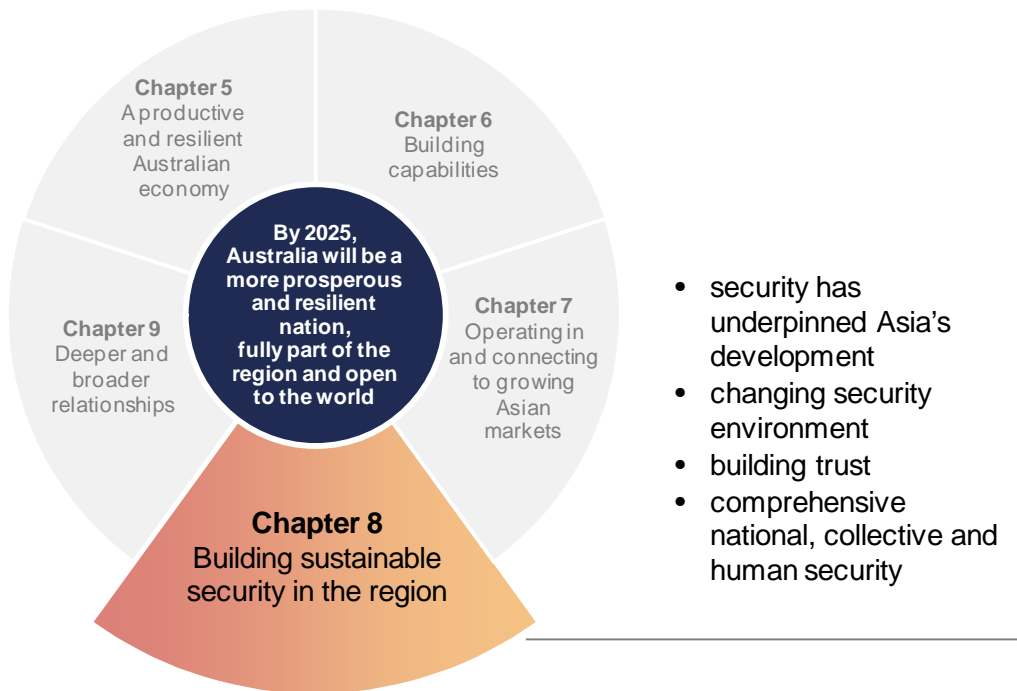
AUSTRALIA IN THE ASIAN CENTURY



White Paper
October 2012



Chapter 8: Building sustainable security in the region



Key points

Australia's future prosperity and security are inextricably linked to what happens in our region.

The security environment is shifting in response to the region's economic growth, the change in the strategic power of nations, and the behaviour of non-state actors.

We will promote cooperative arrangements among nations in the region as the economic and strategic landscape shifts.

We support China's participation in the region's strategic, political and economic development.

We will work with the United States to ensure it continues to have a strong and consistent presence in the region, with our alliance contributing to regional stability, security and peace.

Global and regional institutions will be central to efforts to develop collective security in the region through building trust and supporting norms and rules.

During our 2013–14 term as a non-permanent member of the United Nations Security Council, Australia will ensure that regional perspectives are brought to the Council's deliberations.

We strongly support the Group of Twenty (G20)—to be hosted by Australia in 2014—as an important forum for the world's leaders to address major economic challenges and opportunities.

We will work within the region to develop the East Asia Summit (EAS) as a crucial regional institution in East Asia so that it can help manage regional challenges, foster strategic dialogue and promote cooperation on political, economic and security issues.

We will strengthen human security by supporting the development of resilient markets for basic human needs—especially food, water and energy—and by tackling climate change.

8.1 Introduction

Much of this paper has been concerned with how Australia must prepare itself for the Asian future. But, as can be seen, while that future is promising, it is not immutable. Challenges to the economic order, the security order and the environmental order are all real. What the countries of the region, including Australia, do to shape the future, through effective statecraft and domestic policy reform, will be critical.

Some of the challenges emerge from the internal dynamics of Asia itself—the consequences of changing power relationships as Asian economies grow. China’s rise and the resulting impact on its regional and global interests and those of its neighbours, India’s growing re-engagement with East Asia, and Washington’s ‘rebalancing’ of its global interests towards the region will all be central.

Other challenges will arise from the impact on the region of broader global trends. These include growing pressures on energy, food and water, the unpredictable actions of harmful non-state actors, and the need to make international organisations more effective and representative.

Australia seeks to build an environment for the region in the Asian century that is marked by sustainable security.

We seek security in a broad sense—meaning the security of Australia from attack or coercion; the collective economic and political security of this rapidly evolving region; security of supply for food and energy as the region grows; the human security of individuals in the region, especially those most at risk from hunger or natural disaster; and the security of the natural system as the globe enters a period of rising temperatures and new environmental challenges.¹

And that security must be sustainable in all its meanings—workable, defensible, viable and maintainable. It must have solid foundations and lasting impact.

Australia can contribute to the sort of sustainable security we will need if the advantages of the Asian century are to be realised.

8.2 How security has underpinned Asia’s development

Earlier chapters outlined how a secure and predictable strategic environment provided a strong foundation for Asia’s growth. It enabled governments to focus on their development and build their economic relations in the broad knowledge that the security and order of the region would not be seriously disrupted. These foundations included a framework of rules, open to all who agreed to be bound by

1 Human security, which the United Nations broadly defines as ‘freedom from fear, freedom from want and freedom to live in dignity for all’, lies at the heart of the nexus between security, development and human rights (UN 2012a).

them, to govern trade and economic relations; the stabilising impact of the US strategic presence; and internal development priorities in Asia itself.

The post-World War II international system established a predictable rules-based economic order into which Asia's developing economies could emerge (Chapter 2). It supported the longest period of economic expansion ever seen.

The United States' alliances and partnerships with Japan, South Korea, Australia and other regional states, its guarantee of extended deterrence—the promise that it would project power across the Pacific if any of its allies were attacked—and the development of an effective working relationship between Washington and Beijing after 1972, provided a reliable and stable security environment that further underpinned the economic rise of Japan, then South Korea, the other 'Asian tigers' and China. India's economic reforms from the early 1990s contributed to its closer engagement with the region.

The policy choices and actions of Asian countries themselves reinforced this stability. China's reform program, particularly from the late 1980s onwards, refocused Beijing's attention on internal growth and gave it a large stake in the established international system. Its relations with the United States and its regional neighbours expanded and deepened as complex regional investment patterns and value chains developed. The deeper economic interaction between China, Japan and South Korea helped keep historical tensions in check.

In Southeast Asia, the Association of Southeast Asian Nations (ASEAN) emerged as a stabilising regional force following the tensions of the 1960s, and its expansion in the 1980s and 1990s to encompass Brunei, Cambodia, Laos, Myanmar and Vietnam as well as Indonesia, Malaysia, the Philippines, Singapore and Thailand has helped ensure stability and encourage economic integration.

8.3 New challenges

Our security environment is being challenged by three developments, which will continue to shape the Asian century.

The first change, and in some ways the most basic, is coming from the systemic impact of Asia's economic growth—the cumulative effects of the resource demands already made and still to come, and their environmental consequences. Economic growth has given regional states a new and broader range of interests and responsibilities, including in global economic governance and the security of energy, resource and food inputs to their development. So the sources of those resources and assured supply routes will feature more in their strategic considerations.

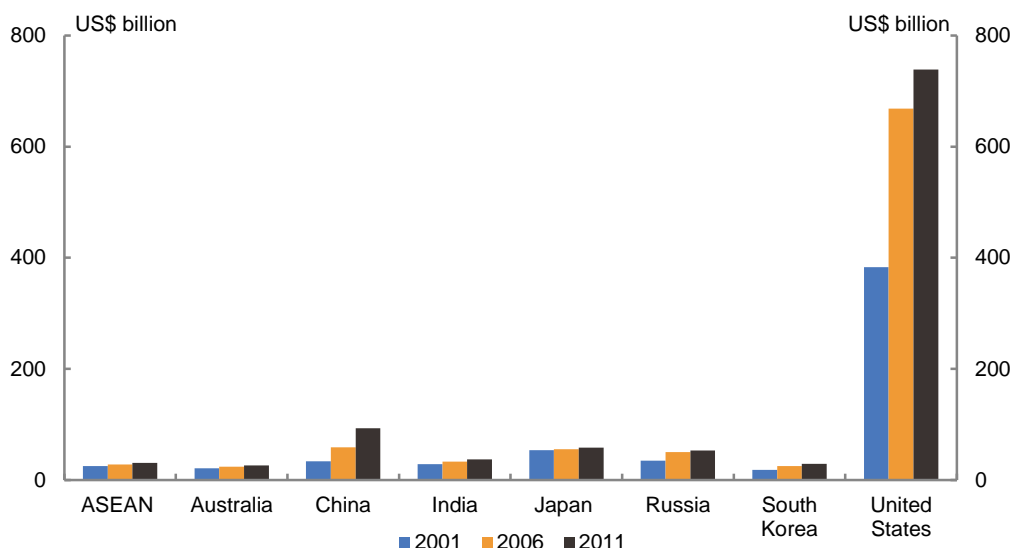
Over the period to 2025, the pressure on water resources, food, energy supplies and air quality will increase (Chapter 2). Climate change is likely to add to the frequency and severity of natural disasters.

Second, and directly related, the economic growth and broader international interests of Asia's large powers, especially China and India, are having an impact on the established strategic order.

At the same time, rising government incomes are enabling many states to modernise their defence forces with more advanced capabilities. Some countries are enhancing their defence industrial capacity, including leading-edge technological innovation, and boosting their defence exports.

It is important to keep regional defence expenditure in context: in some cases, increases over recent years come from relatively low baselines, while the US defence budget continues to dwarf those of other countries (Chart 8.1). But regional states' defence capabilities will continue to grow and China's military modernisation has made steady progress in recent years. China largely focuses its military capabilities on the region, whereas the US capabilities are spread globally.

Chart 8.1: Regional defence expenditure



Note: All expenditure is reported in 2011 dollars. ASEAN military expenditure excludes that of military expenditure by Myanmar due to data unavailability. China's actual defence budget is likely to be more than the publicly available figure in Chart 8.1.

Source: DIO (2011).

The third change to the familiar regional environment has to do with the growing empowerment of individuals and non-state actors. This change will by no means be completely, or even predominantly, negative. There is a growing capacity for groups in society to organise within countries and across national boundaries. And in some regions and nations there are changing demands for better governance and more transparency from individuals who have better access to information and can share their views more easily. Improved lines of communication may help governments in the region respond more effectively to concerns that arise as nations transform in the Asian century.

But, at the same time, greater access to information and communications technology, particularly if information is not accurate, can help negative influences in society. Combining easier information transfer with the increasing mobility of people, goods, services and money will help raise the capabilities of more dangerous transnational groups such as terrorists, people traffickers and smugglers, pirates, transnational criminals and hackers. Self-radicalised terrorists or lone hackers can often be even more difficult to identify and combat than organised groups.

None of these developments of themselves make major power conflict likely—in some important ways they will probably act as a constraint. All the major powers recognise how interdependent their economic interests are. The regular high-level strategic and economic dialogue between the United States and China has been useful in managing differences. And similar institutionalised bilateral links are being established between other key regional players, such as India and China. Most regional countries will adapt their policies over time in response to new issues that arise and to ensure they balance their various interests.

But these developments certainly make the consequences of any conflict more far-reaching and dangerous. They raise the cost of miscalculation in a range of longstanding regional flashpoints—North Korea, the Taiwan Strait, territorial disputes in the South China and East China seas, India–Pakistan relations—and give greater urgency to efforts to manage them.

8.4 Australia's response

For more than 60 years, Australia has been a committed partner to the countries of the region and a strong supporter of regional institutions. Our diplomatic, defence, intelligence, business and people-to-people links have helped spearhead this work. Australia's longstanding commitment to active middle-power diplomacy, with its focus on practical problem solving, effective implementation and building coalitions with others, will continue to drive our approach.

But, as we have discussed, changing power relativities and other regional and global dynamics are driving change in our security order. We need not be pessimistic about this future, but nor should we be complacent. New mindsets and creative approaches will be needed. We will need to continue to strengthen our institutions and mechanisms, bilaterally and regionally, to help manage change.

As Asia becomes more central to the global economy, and the large Asian countries more important to global decision-making, we will face increasing competition for access and influence in the region.

National objective

20. Australian policies will contribute to Asia's development as a region of sustainable security in which habits of cooperation are the norm.

Cooperative relations among the pre-eminent powers in the region—China, India, Indonesia, Japan and the United States—will be fundamental to regional security and prosperity (Box 8.1). Because those relationships will almost certainly have both competitive and complementary aspects to them, their management will be critical.

Box 8.1: China, the United States and Australia

The relationship between China and the United States, the two most powerful states influencing the region, will do more than any other to determine the temperature of regional affairs in coming decades.

Beijing and Washington both want to develop constructive relations and avoid conflict: their governments have consistently said so; the intensity, structure and sophistication of their engagement, often underestimated, has shown it; and they have deeply interlinked interests that will push them that way.

We are optimistic about the ability of China and the United States to manage strategic change in the region. But their relationship will inevitably have a competitive element, especially as China's global interests expand, it becomes more active on a broader range of international issues and its defence capabilities grow in areas dominated for more than half a century by the United States.

The danger of miscalculation and accident therefore requires ongoing investment in bilateral and regional efforts, such as the East Asia Summit and other regional bodies, to build trust and transparency and to ensure that communications are open and military-to-military dialogue is effective.

In managing the intersections of Australia's ties with the United States and China, we will need a clear sense of our national interests, a strong voice in both relationships and effective diplomacy.

We consider a strong and consistent presence by the United States in the region will continue to be as important in providing future confidence in Asia's rapidly changing strategic environment as it has in the past. We will support this through our alliance with the United States.

At the same time, China's importance to Australia, economically and politically, will only grow in decades to come.

We welcome China's rise, not just because of the economic and social benefits it has brought China's people and the region (including Australia), but because it deepens and strengthens the entire international system. We have consistently supported the reform of global institutions to make them more representative of the large emerging economies and the modern world.

We accept that China's military growth is a natural, legitimate outcome of its growing economy and broadening interests. It is important that China and others in the region explain to their neighbours the pace and scope of their military modernisation, to build confidence and trust.

Box 8.1 (continued)

This is not a world in which anything like a containment policy can work or be in our national interests: compared with the Cold War period, our mutual interests are much deeper and ideological differences much less marked.

We want, therefore, to deepen our already close and cooperative relationship with China at every level, including enhancing our defence cooperation. We come to the relationship with China as a dependable economic partner, a constructive participant in regional affairs, one of the world's oldest democracies, a good international citizen, and a close ally of the United States. None of these dimensions will change. Together they offer the strongest possible foundation for engagement with China and the region as a whole.

The perspectives of Australia's neighbours vary widely. Some share our views, including on issues of principle, while others differ. Divergences between our cultures and systems sometimes compound inevitable frictions. So our policy responses will be shaped by the broad objective of building trust. That means making every effort to build between the states of the region (and globally) deeper understanding, greater transparency, clearer communications, more effective and reliable rules and dependable markets.

Large-scale change like that expected in Asia will put a premium on the development of mutual trust and confidence between the countries of the region. All the major Asian states will have a deep interest in avoiding armed conflict, but the form and conditions of regional peace will be just as important a consideration.

We will encourage, as we have traditionally, the construction of a peace in which all the region's countries have a voice in its future, which is guided by established rules and transparent behaviour, and in which decisions are taken without threats of the use of force or other forms of intimidation.

The first way of building trust will be to work bilaterally to deepen our relationships with regional partners. By deepening relations, we mean engaging more broadly than at present across governments and societies, developing reliable and practical habits of cooperation, and increasing the levels of understanding between our peoples through business links, people-to-people engagement, media and other networks (Chapter 9).

Building trust will also require us to continue to work on building global and regional institutions whose form and functions reflect the emerging world and can deal effectively with new issues.

8.5 Sustainable security in the Asian century

The sustainable security that we will seek to build in the region encompasses our own national security, the collective security interests of the region, and the human security needs of its people.

National security

National security is a broad and evolving concept. Within a broader security agenda, the Government's national security policy is primarily concerned with the protection of Australia's sovereignty, population and assets, and shaping a favourable international environment. We will release a National Security Statement that articulates our national security priorities in the context of the emerging global strategic environment, drawing on the analysis and guidance in this White Paper.

At the core of Australia's national security lies the capability of our defence forces—the Australian Defence Force's ability to deter or defeat any attack on our territory, to contribute to the stability and security of Australia's immediate region—including through peacekeeping and stabilisation operations—and to help meet our international obligations, such as those under our alliance with the United States. It also needs to be able to respond to regional needs for humanitarian assistance and disaster relief.

And national security depends on partnership—building trust—with others. Australia has a long tradition of working to build security with regional partners bilaterally and through regional agreements such as the Five Power Defence Arrangements. We have defence cooperation programs with regional partners, especially in Southeast Asia, that include training, joint exercises, specialised exchanges and shared professional perspectives on defence doctrine. Regular exchanges take place between ministers, military officers and officials.

As regional countries modernise their defence forces, these programs are opening up opportunities for us to pursue deeper strategic and security partnerships. We will direct increasing effort in the period ahead to the development of deeper defence cooperation, joint exercises and other forms of defence and security engagement with our neighbours, particularly Indonesia, other Southeast Asian countries, Japan, South Korea, India and China (Box 8.2).

Such interactions will build mutual trust—increasing patterns of contact, reducing the risk of misunderstandings and helping with practical challenges like maritime security and the effective provision of humanitarian assistance and disaster relief.

Accurate information is important for building trust, avoiding misunderstandings and encouraging rational decisions. So we will support actions that promote clearer communication and greater transparency about intentions, strategies, and military budgets and capabilities. We regularly release public documents, such as Defence White Papers, to make our views and intentions on such issues clearer. Our next Defence White Paper will set out in more detail the role we will play with regard to defence and security throughout our region.

Box 8.2: Indonesia–Australia Defence Alumni Association

In March 2011, the Indonesia–Australia Defence Alumni Association (IKAHAN) was officially launched.

Through an annual program of seminars, cultural and sporting events, IKAHAN encourages all participants in Australia–Indonesia defence engagement activities to renew and maintain their relationships. Since its launch, IKAHAN has grown to over 800 members. Celebrations in Jakarta to mark its first anniversary were attended by the Indonesian Defence Minister, Australia’s Chief of the Defence Force and Secretary of Defence, and their Indonesian counterparts.

Training and education is a longstanding element of our bilateral defence relationship with Indonesia. Each year, around 100 Indonesian military officers participate in courses, short-term visits and other exchanges in Australia through the Defence Cooperation Program. Around 50 Australian Defence personnel visit Indonesia in an official capacity each year. Australian and Indonesian military personnel participate in regular joint exercises. This level of engagement is growing on both sides.

The role of the United States in East Asia has been central to the strategic environment for nearly 70 years. And our alliance with the United States has been the cornerstone of our defence and security policy for most of that period.

The alliance is driven by shared values, a long history and a common set of aspirations for the global system. It has never required us to abandon our independent national interests or policies and there will always be issues on which our views diverge. But the alliance embodies trust. It impels us to understand and take into account the views of our partner.

We consider that a strong and consistent United States presence in the region will be as important in providing future confidence in Asia’s rapidly changing strategic environment as it has been in the past. We will continue to support US engagement in the region and its rebalancing to the Asia–Pacific, including through deepening our defence engagement with the US and regional partners.

We welcome Japan’s active diplomatic role on a wide range of international issues, including regional architecture, climate change, non-proliferation and disarmament, and energy. Despite its modest growth in recent decades, the Japanese economy remains one of the world’s largest. Japan is also the world’s largest creditor, continuing to wield significant influence in regional and global economic organisations such as the International Monetary Fund, the World Bank and the Asian Development Bank. Australia and Japan have substantial shared interests and values, including as allies of the United States, which are reflected in a range of trilateral dialogues at the Ministerial, senior officials’ and working levels, including the Trilateral Strategic Dialogue and other processes. Our relationship with Japan is likely to become even more important over coming decades in building sustainable security in our region.

We are working closely with China to build a comprehensive, constructive and cooperative relationship that encompasses not only trade, resources and investment, but also political, security and people-to-people connections. To sustain regional prosperity and security, we will continue to work actively with China to advance our shared interests, in regional institutions such as the EAS and APEC, and globally through the G20 and other bodies. With a long commitment to peace and security in the region, we have a key interest in building defence and broader security cooperation with China.

Elsewhere in Northeast Asia, South Korea is a growing security and environmental partner for Australia. We work together bilaterally and through a shared commitment to active middle-power diplomacy in bodies such as the United Nations, the G20, the EAS and APEC. Areas of common interest include climate change, international development and non-proliferation. We are pursuing a high-quality free trade agreement and our defence links are also increasing.

India's growing economic and strategic weight will increasingly influence the balance of power within Asia, and amplify India's global influence. The wider regional construct of the Indo-Pacific, linking the Indian and Pacific oceans as one strategic arc that includes Southeast Asia, illustrates this influence. Trans-Asian transport and wider connectivity is another (Chapter 2). Important determinants of evolving relations in the region will be how India's relationship with China develops, and the role of strategically located countries such as Myanmar. These factors will also influence which conception of the region's future comes to dominate.

Stronger Australian engagement with Southeast Asia, especially with our biggest neighbour, Indonesia, will remain important for our security and environmental policies. The continuing rise of a stable, democratic and more prosperous Indonesia, which plays a leadership role in the region and has an increasing global influence, is unequivocally in our strategic and wider interests. We will deepen our comprehensive partnership with Indonesia and step up engagement with ASEAN more broadly. We will focus more attention on engaging active regional powers such as Vietnam, Singapore, Malaysia, Thailand and the Philippines on security and sustainability issues.

In the contemporary international environment, it is clear that national security cannot be delivered only within national borders. Threats to Australia's people or institutions from non-state actors like terrorists, traffickers, pirates, hackers or other transnational criminals must be addressed with partners in other countries.

Australian capacities, like those found across the public service in the areas of law enforcement, border protection and health, are increasingly used to deliver sustainable security for Australia and our region.

For example, one effective way to reduce cross-border crime is to 'follow the money' through regional collaboration using a mix of anti-money-laundering and proceeds of crime laws to confiscate the assets of criminal organisations. Australian Federal Police officers are currently attached to 13 of our diplomatic missions in Asia, working with

their counterparts on money laundering and other issues such as illicit drugs and identity theft.

Sustaining regional efforts against terrorism will also require continued collaboration among security agencies. Australia will continue its law enforcement cooperation and capacity building role across the region, including through joint leadership with Indonesia at the Jakarta Centre for Law Enforcement Cooperation (JCLEC). While regional countries, especially Indonesia, have become increasingly effective in capturing and prosecuting high-profile terrorists and degrading their networks, jihadist ideology continues to motivate and focus an increasingly loose, geographically diverse and largely independent range of violent movements, cells and individuals, some of which remain highly capable.

We will continue to work with regional partners on joint approaches to managed migration, such as the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime, which Australia co-chairs with Indonesia. We will continue to support the group's commitment to further develop a regional cooperation framework on combating people smuggling and irregular migration through strong cooperation at the operational level. We will enhance cooperation on migration management, business processes, intelligence, policy and legislative development, by means such as exchanges, training and the funding of specific projects.

Given these transnational security threats, our approach will emphasise practical action through law enforcement cooperation, better information and intelligence exchanges, and capacity-building to support effective governance.

Collective security

Sustainable security in the Asian century will require governments to work multilaterally as well as bilaterally. Global and regional institutions will be central to efforts to develop collective security in the region.

As is evident with other dimensions of global change, the emergence of new centres of power is shaping the evolution of global and regional institutions and the way international rules, norms and standards are developed. Such rules are important because they provide predictability, underpin coordination and cooperation, and offer some defence against arbitrary action.

Strengthening aspects of international law through the negotiation and implementation of treaties and other international legal instruments is important to sustainable security. For example, implementing the United Nations (UN) Convention on the Law of the Sea, to which most countries in the region have acceded, and progressing negotiations under the UN Framework Convention on Climate Change are two aspects of international law on which progress should be made. We will continue to engage in dialogue with our neighbours on international legal issues and to share our expertise.

Many of the rules by which the international system operates remain relevant, effective and durable, and directly serve Australia's interests. Emerging economies have as great an incentive to support them as established powers. But the rules-based system is evolving as emerging economies become more globally engaged, and new issues arise.

As a middle power, with global and regional interests, Australia has a stake in the outcome of change in these areas.

With its universal membership, broad agenda and unique norm-setting role, the UN remains at the centre of global governance. As a founder member of the body, Australia will continue our long history of support for its goals and involvement in its work.

Within the UN, the Security Council is the cornerstone of international peace and security. To promote a Council more representative of the 21st Century, we support efforts to expand the Council's membership to include Japan, India and Brazil as permanent members, as well as appropriate African representation. Australia has long been committed to seeking to ensure that regional perspectives are brought to the Council's deliberations. During Australia's 2013–14 term as a non-permanent member of the UN Security Council we will continue this commitment.

That same commitment by Australia to support the reform of international architecture, so that it is properly representative of the 21st century world, will guide our approach to other existing and prospective organisations. It is why we have strongly supported the creation of the G20 (Box 8.3).

As Australia prepares to chair the G20 in 2014, we will support efforts to make its agenda as practical and useful as possible, with a particular focus on economic growth and jobs. We will work not just for its immediate members but for the wider international community. Through our stewardship responsibilities we will work with G20 members, non-G20 countries, and international organisations and others, such as business, labour and non-government bodies, to ensure global economic norms, rules and institutions are fully effective and relevant in a period of economic change.

We will use our role in the UN and the G20 to strengthen regional relationships and in turn use these relationships to address global and regional issues and strengthen these institutions. We will continue to support and promote international frameworks that preserve open, competitive and well-regulated markets and inclusive, sustainable growth. This will take time and require careful management. It is likely to include a shift in the group of nations that takes responsibility for providing global public goods, with China and India, in particular, adopting a higher profile over time.

Box 8.3: The G20

The formation of the G20 in 1999 and its elevation to a leader-level forum in 2008 represented a powerful recognition of the growing influence of emerging economies, including Brazil, China, India, Indonesia, Russia and Asia more generally. The G20 has permitted a more inclusive response to macroeconomic policy coordination and financial regulatory arrangements than smaller groupings such as the G7 and G8. Detailed policy development for leaders is carried out in working groups co-led by an advanced economy and an emerging market economy. For example, Canada and India co-chair the G20's framework working group and the United Kingdom and Indonesia co-chair the energy and commodities markets working group.

The G20 provides an opportunity for Asia's emerging economies to assume greater responsibility in the global economic system, as their impact on the policy directions of other countries grows. The announcement of additional funding in June 2012 to the International Monetary Fund by emerging G20 economies demonstrates their willingness to engage actively.

The G20 needs to maintain its character as a flexible forum in which leaders can focus on global challenges. The implementation of existing commitments will be important for its credibility. The G20's success will depend on the extent to which countries can build consensus and shape mutually reinforcing economic objectives to support the economic transformation underway.

Elements of the G20 agenda of particular interest to countries in Asia include development, food security, investment in infrastructure, open markets and resisting protectionist pressures. The G20 will also continue to drive further reforms of other international organisations, working with the broader membership of those bodies.

Asia does not currently have the advanced security institutions and confidence-building measures developed in Europe. In such a diverse region, with its different history, that is not surprising. Regional security architecture in Asia will continue to develop at its own pace and with its own characteristics. But, building on ASEAN's success, a number of institutions already provide forums in which sustainable security is being built. They include the EAS, the ASEAN Regional Forum (ARF) and the ASEAN Defence Ministers Meeting-Plus (ADMM+) among others.

We advocated successfully for the inclusion of the United States and Russia in the EAS. The EAS now has the right membership and the mandate to address political, economic and security issues, and has emerged as a critical regional institution in East Asia.

The significance of the expanded EAS is clear. Its members account for 55 per cent of the world's output and an equal proportion of its population, at 3.8 billion. Eight EAS members are in the G20; three are permanent members of the UN Security

Council. These three, along with India, possess four of the five largest armed forces in the world.

We will continue to play a leading role in efforts to develop the EAS, including its political and security agenda. Trust and confidence can be built through cooperation in non-traditional security issues like disaster relief, where Australia and Indonesia are leading a joint project.

The EAS complements and supports ASEAN's community-building agenda in Southeast Asia. It also complements APEC's role of supporting regional trade liberalisation, economic reform and economic security.

Our active involvement in the ADMM+ is a component of our regional military engagement. The ADMM+ brings together Defence Ministers from all EAS member countries, and has a mandate for practical military-to-military and defence-to-defence cooperation in areas such as maritime security, humanitarian assistance and disaster relief, counter-terrorism, military medicine and peacekeeping. It provides the opportunity for our defence forces to exercise alongside regional partners, and our active contribution will strengthen bonds with our neighbours.

As an Indian Ocean state, Australia also has security, environmental and economic interests in South Asia and the wider Indian Ocean region. South Asia, in which India plays the predominant role, has its own distinctive dynamics.² It is characterised by less regional integration than Northeast and Southeast Asia, partly because of disparities and differences in economic development and national perspectives.

We strongly support India's growing global and wider Asian engagements, including working closely with India and other partners to boost South Asian and wider Indian Ocean cooperation. Specifically, Australia is supporting the Indian Ocean Rim Association for Regional Cooperation, which we will chair in 2014–15, and is helping to develop a practical work program. We are also participating in the Indian Ocean Naval Symposium, an initiative of the Indian Navy.

The effective management of a number of regional flashpoints will become increasingly urgent as Asian military capabilities and global interests grow. Managing competing maritime and territorial claims will be particularly important. Over recent years, tensions have arisen in relation to some disputed areas, especially the South China Sea and maritime parts of Northeast Asia. While nationalist sentiment plays a part in these tensions, so do access to fisheries and concerns about energy and resource security. Some disputes have been, or are being, resolved through negotiation or international legal adjudication. The parties involved generally appear to be aware of the serious consequences of escalation. Even so, the risk of mistakes and misadventure remains high. In relation to the South China Sea and other territorial disputes in the region, Australia does not take a position on the competing

² India accounts for 75 per cent of South Asia's population, 63 per cent of its area and 82 per cent of its output.

claims. We continue to encourage the parties to clarify and pursue their claims and maritime rights in accordance with international law, including the UN Convention on the Law of the Sea.

We will support conflict prevention and risk reduction frameworks that provide early warning of possible conflicts, identify and apply the measures most likely to be effective in averting them, and manage them if they occur. Such actions range from the establishment of agreements on incidents at sea and hotlines to longer-term assistance with institution- and capacity-building.

Australia has a long record of contributing to global efforts on arms control, non-proliferation and disarmament (Box 8.4). These efforts remain important in achieving sustainable security.

Box 8.4: Non-proliferation and disarmament: Australia and Japan

Australia and Japan have worked closely and productively together on non-proliferation and disarmament for many years in international forums such as the UN, the International Atomic Energy Agency and various export control regimes. Collaboration has included promoting adherence to the Nuclear Non-Proliferation Treaty and the Comprehensive Test Ban Treaty, strengthening nuclear safety and security, and applying more effective export controls against the proliferation of weapons of mass destruction, especially in our region.

Japan provided a distinguished expert to participate in the Canberra Commission established by the then Australian Foreign Minister Gareth Evans in 1995. With Mr Evans, former Japanese Foreign Minister Yoriko Kawaguchi co-chaired the International Commission on Nuclear Non-Proliferation and Disarmament, which delivered its report in 2008. The commission has been succeeded by the Non-Proliferation and Disarmament Initiative, an intergovernmental group in which Australia and Japan have the joint lead role.

In particular, efforts to control the proliferation of technologies and materials needed for nuclear, chemical and biological weapons and their delivery will be important to Asia's security, especially as technology advances and trade links become more complex.

Issues of particular importance for Australia will be enhancing the effectiveness of relevant export controls, including securing closer regional engagement with export control regimes such as the Australia Group, and supporting practical forms of cooperation such as the Proliferation Security Initiative.

Because the reduction of arsenals of nuclear weapons in the region is important, we will continue to press China, India, Pakistan and North Korea—as well as the United States—to ratify the Comprehensive Test Ban Treaty so the treaty can be brought into force, and will press to begin the long-stalled negotiation of a Fissile Material Cut-off Treaty.

With our regional partners in the Asia–Pacific Safeguards Network and as a member of the Board of Governors of the International Atomic Energy Agency, we will work to promote best practice in nuclear safeguards and security in the region through training and professional development.

As missile technology becomes more sophisticated and more widely available, missile proliferation, especially of anti-ship ballistic missiles, poses particular challenges. Closer engagement among regional nations on missile defence will be necessary. We will work with the United States and regional partners to develop a constructive regional approach to dealing with the missile threat posed by rogue states, and the proliferation of enabling technologies in our region.

More effective regulation of the trade in conventional arms, including small arms and light weapons, can also help. We will support the implementation of global standards to enable more effective regulation in this field, for example, through the Arms Trade Treaty currently under negotiation.

Shared transport and communications infrastructure, notably the internet, is becoming more important in the region. We will work closely with regional partners to strengthen and protect this infrastructure, while avoiding unnecessary impediments to legitimate business, travel and other transactions. This will require active engagement with Australian businesses and the wider community.

We are developing Australia's first White Paper on cyber and digital economy policy in recognition of the growing importance of cyberspace to Australia's national interests. The White Paper will provide an integrated policy framework to enable Australia to take full advantage of the opportunities offered by the digital age through minimising risks and enhancing trust and confidence in online engagement.

We will work cooperatively on cyber issues through policy, diplomatic and wider dialogue with businesses and communities. Improving practical cooperation to strengthen network resilience and to respond to cyber-incidents will be increasingly important. This can be done by developing closer regional links, especially between national institutions such as computer emergency response teams.

Countries in Asia have taken advantage of the opportunities ushered in by the digital age, and now have a large stake in an open, stable and secure internet. They are well placed to make a contribution in this area.

The internet needs to remain open and free of unnecessary government regulation. To enable this, while also ensuring that the online environment remains stable and secure, Australia and its international partners are working towards the development of international norms of behaviour in cyberspace. In our view, the starting point is the existing framework of international law. In 2013, South Korea will host the third in a series of international conferences, known as the London Agenda, which bring together governments, businesses and other groups to discuss international cyber-issues and the development of norms.

Space-related technologies, such as those used to observe the Earth from space, are increasingly important for security, environmental and commercial interests. In the maritime domain, for example, information from space can provide essential data for anti-piracy measures, fisheries enforcement and environmental operations. Advanced space-enabled positioning systems, which are highly accurate and based on existing systems such as the global positioning system maintained by the US Government, are driving innovation in the logistics, agriculture, construction and other sectors.

Some regional countries are increasing their investment in space technology. For example, India, China and Japan are flying satellite missions and are developing independent satellite positioning systems. And Vietnam is investing US\$600 million in a space technology centre in the Hoa Lac hi-tech zone in Hanoi.

Protection of this space-based and space-related infrastructure will become increasingly necessary.

Australia's regional connections, geographical location and long-term engagement on space issues position us well. However, we need to continue our investment in space-related ground infrastructure to capitalise on our location and ensure that our capabilities remain relevant.

Asia has a strong tradition of diplomacy through non-official channels (called Track 2 diplomacy) on security issues, which reaches beyond national governments to business, academia, non-government organisations and the wider community, and helps to set forward agendas and address difficult issues. Some of these processes are well established, such as the annual Shangri-la Dialogue in Singapore, which attracts wide ministerial participation. Others, such as the Council for Security Cooperation in the Asia-Pacific, have built a role underpinning the formal intergovernmental work of the ASEAN Regional Forum. We will continue to support strong Australian participation in such dialogues.

Human security

Over the past decade most armed conflicts have been fought within states rather than between them. According to the Stockholm International Peace Research Institute (2012), only one interstate conflict (over Kashmir) was recorded in our region between 2001 and 2010, compared with between five and eight intrastate armed conflicts each year during the same period. Internal violence and fragility can also spill over international borders, undermining the security of other countries, displacing populations, and setting back economic development.

The sustainability of Asia's security environment will depend not just on the traditional dimensions of national and regional defence and collective security approaches but on the human security of the region's people as well.

The 855 million people in the region who still live on less than \$1.25 per day are especially vulnerable to shortages of water, energy and food and the consequences of their misuse (World Bank 2012b). Ageing populations, inequality within societies and

rising social tensions will all help shape the regional security environment. Our policies will be directed at building trust at the level of human security.

National objective

21. The region will be more sustainable and human security will be strengthened with the development of resilient markets for basic needs such as energy, food and water.

Energy, food and water resources are all coming under greater pressure and, along with climate change, these pressures are increasingly intertwined (Chapter 2). Policies seeking to address problems in one area can have unintended impacts in another. Shortages of energy, food or water, or rising prices, can lead to community unrest and even to conflict between states.

So far, within the region and in Australia, there has been limited recognition of the interdependencies between these issues, and the consequent trade-offs and synergies. For example, in some parts of the region, subsidised electricity for farmers in an effort to boost agricultural output has resulted in over use of energy and extraction of ground water.

We recognise the need to form energy, food and water security policies and tackle climate change in a holistic and integrated manner. Adjusting policy settings and governance arrangements to account for interdependencies will require a multistage response. The immediate priority will be to support efforts to better understand the connections and trade-offs. Basic metrics for these critical relationships are needed to inform policy. To this end, we will support the use of environmental accounting in the region.

Over the longer term, regulatory and institutional arrangements will need to be progressively modified to allow for integrated decision-making. This could include providing better links to ensure consistent incentives across carbon, energy, food and water markets so that users, not just governments, take account of their interdependencies.

Working towards a more water-secure region

Given the importance of water resources to Asia's development, and the risk that they may become a future source of political tension, we will continue to work with the region by contributing to good policies and sustainable management practices.

Already a relatively water scarce region, the scale and complexity of Asia's water problems are set to grow (Chapter 2). Improving water-use efficiency will be central in achieving regional water security, but water-saving policies, practices and technologies only help if they are accompanied by incentives that encourage their adoption.

We are well placed to collaborate and share our experience of replacing centrally planned water allocations with a market. This process has been crucial in managing our water resources, especially during the recent drought. By exposing the opportunity cost of water, users as well as governments now make complex decisions about who should use water, where and for what purpose.

Australian firms have developed valuable expertise. This country's experience with drought and water markets has prompted considerable technological innovation in water recycling and irrigation infrastructure. Systems devised for Australian agriculture have been adapted for application in China. We will continue to showcase our technology, providing commercial openings for innovative Australian firms.

Sharpening incentives to use water wisely is just one way of helping to improve water management. We will work to strengthen capacity at all levels of partner governments to manage water resources. This will include working with the region on water management issues, particularly in the Greater Mekong region and South Asia (Box 8.5).

Box 8.5: Australia's involvement in the management of the Mekong River

The growing challenges of water resource management in the region are well demonstrated by the Mekong River. The river flows for more than 4,800 kilometres through Cambodia, China, Laos, Myanmar, Thailand and Vietnam, all of which depend on it heavily for agriculture and fishing.

As populations and economies in the Mekong region have grown, so have demands on the river. In recent years, a number of large hydropower dams and irrigation projects have been proposed. Such developments threaten to alter flows and affect the livelihoods of downstream users.

The public protests and diplomatic disagreements spurred by such proposals have highlighted the trade-offs between the needs of upstream and downstream water users. The trade-offs become more pressing as development of the basin continues. Collective decision-making and a whole-of-basin approach in the Mekong region will be essential to adjudicate disagreements and support water and food security in coming decades.

Progress towards a common approach has already been made. In 1995, countries in the lower Mekong Basin agreed to cooperate through the Mekong River Commission in managing, using and further developing their segments of the basin. Recently, Myanmar has informally signalled its interest in joining the commission. And after recognising the downstream impacts of its hydropower developments in 2010, China has now agreed to expand technical cooperation with its lower-Mekong neighbours through a negotiated memorandum of understanding.

We support these efforts through the Australian Mekong Water Resources Program.

Australians have already been working collaboratively with China to produce a 'report card' on river health to inform Chinese policy development, monitor progress and raise public awareness (Byron & Jiang 2012). There are opportunities to take this relationship further, including by working together to develop financial incentives, such as polluter-pays systems, to address water pollution.

Stepping up to the plate—working together on food security

Food security is a critical dimension of human security in the region. Two-thirds of the world's food insecure reside in Asia and sharp upward price movements can result in political and social unrest.

To feed a larger, richer population, the region will need to increase productivity and use its resources more efficiently. In some parts of the region, that will involve adopting proven farming techniques and processes. Yields in some developing countries have ample room to improve. For example, India's rice yields are one-third of China's.

In other parts of the region, governments and the private sector will need to find new and better ways of increasing production and helping agriculture adapt to and mitigate the effects of climate change. This will require innovations in biological sciences, resource management and agricultural processes. Encouraging investment in agricultural research and development, and the subsequent adoption of new technologies and varieties, will be essential. Given the long lag time before the gains from investment in research and development are realised, further research into hardier crop types, pest control and more efficient water and fertiliser use must begin now.

Australia is well placed to work with the region to bolster agricultural productivity. Australians have expertise in agricultural technology, economics and policy—supported by strong educational and research institutions—and can provide technical assistance to improve agricultural capacity.

Australia's research and development capabilities are well recognised. We will use established networks, such as those of the Australian Centre for International Agricultural Research (ACIAR), to share our research capabilities with the region. Recent evaluations show that ACIAR projects—which make Australian agricultural and rural development expertise available to developing country partners—have delivered around \$11.4 billion of benefits to developing countries and \$1.2 billion to Australia, from a total expenditure of \$234 million (Harding et al. 2009).³ We currently expect to invest around \$455 million, or 8 per cent, of Australia's official development assistance in agricultural and food security activities in 2012–13.

Our efforts to improve food security go beyond the farm gate. Investments in water and transport infrastructure, particularly roads, irrigation systems and dams, are

3 In 2008 dollar present value terms.

needed (Chapter 2). Such investments help farmers integrate into value chains and markets and reduce food loss and waste. We can exchange lessons with our regional partners on how best to encourage greater private sector participation to help finance growing infrastructure needs (Chapter 7).

Adequate national supply is only part of the challenge. No country will achieve full food self-sufficiency at all times—international trade and efficiently functioning markets will be necessary to meet the region’s growing food demands. We will continue to argue and work bilaterally, and in international organisations, against trade distortions such as production and export subsidies and export restrictions, and to improve market access conditions for food and agricultural exports (Case study).

Addressing climate change

Recognising the threats to human security—and to economic development—that will come from climate change, many countries in Asia have started to build climate resilience and reduce the emissions intensity of their growth paths. Emissions reduction policies are gaining traction, through national development strategies and through clean and low-emissions energy targets.

The biggest Asian emitters, China and India, have pledged to reduce growth in their emissions. China will reduce its carbon intensity (carbon emissions per unit of GDP) by 40–45 per cent between 2005 and 2020. India has committed to reduce its emissions intensity by 20–25 per cent over the same period. Other countries in the region have also made international pledges to limit or reduce their emissions by 2020, including Japan, South Korea and Indonesia. With a growing share of global emissions, Asia’s transition to a low-carbon development path is critical to a global climate change solution.

To spur greater mitigation and adaptation effort in Asia, we already contribute financial assistance through our aid program. Along with other developed nations, we have committed to helping to mobilise US\$100 billion annually by 2020 to assist developing countries, many in Asia, tackle climate change. Capacity-building—by sharing experience on practical matters such as renewable energy targets, energy efficiency standards and sea level mapping—provides another avenue through which we encourage greater regional climate action.

Globally and regionally, there is growing interest in harnessing the potential of carbon pricing, and the international carbon market, to deliver effective and least-cost emission reduction. Many countries in Asia are developing or considering carbon pricing and emissions trading schemes to maintain strong economic growth as they make the transition to a low-carbon development pathway.

China plans to develop emissions trading schemes in several cities and provinces, with the aim of scaling up to a nation-wide approach after 2015. South Korea has passed legislation for an emissions trading scheme to start from 2015. Japan has an emissions trading scheme operating in the Tokyo and Saitama regions, covering 20 million people.

Sharing our experience and expertise in carbon pricing will help build well-functioning and comprehensive carbon markets in our region. Through this work, we can also explore ways to realise the additional benefits that come from carbon market integration. Australia's emissions trading scheme has been designed to link to other credible emissions trading schemes to realise such benefits. Integrated carbon markets, in our region and beyond, have the potential to increase access to a broader range of credible, low-cost abatement opportunities. They will incentivise trade and investment, particularly in renewable energy and energy efficiency technologies. They will also expand opportunities for the financial services sector. The Australian financial industry is well qualified to offer intermediary and advisory services to integrated carbon markets.

Australia already has well-established mechanisms for exchanging these ideas and experiences through links with counterparts in the region, academia and policy organisations. We already share technical expertise on emissions trading design with China, Indonesia, Japan and South Korea. We also engage with regional neighbours through initiatives such as the World Bank's Partnership for Market Readiness.

Within and beyond formal government exchanges, Australian thinking and know-how continues to play a role in shaping emerging arrangements. Experts from Australian universities are sharing their economic, quantitative, energy, policy and low-carbon technology expertise with countries in the region. These activities have already included assisting in the preparation of Indonesia's Green Paper on strategies for climate change mitigation, and working with Chinese counterparts on policy options for energy efficiency, low-carbon cities, and the design of market mechanisms to reduce emissions.

Even with substantial mitigation efforts, climate change is expected to have significant impacts around the world, including in Asia. Adaptation will be critical in minimising its economic, social and environmental costs. Some countries in Asia are starting to act. For example, China, Indonesia and Vietnam have recognised adaptation as a high-level priority within their domestic policy settings. While many less-developed countries have limited capacity to respond and adapt effectively, countries such as Bangladesh, Cambodia, Laos and Myanmar are completing National Adaptation Action Programmes. Impact assessments are being used across Asia to investigate at-risk sectors.

We will share adaptation expertise. In coastal zones, we can help countries put in place regulatory frameworks to adapt to climate risks. Australian businesses are well placed to export their knowledge and expertise in coastal mapping technology and support tools to assist in adaptation planning decisions. For example, a number of Australian companies have the capability to undertake digital elevation modelling of coastlines, which allows for a more detailed understanding of the range of possible impacts of climate change.

Improving energy security

Countries in Asia will become increasingly focused on energy security in coming decades as China and India transform the global energy system by their sheer size. Meeting the energy needs of these two economies, along with those of others in the region, will require a combination of bolstering technological innovation to open up new sources of energy, including renewables, and prompting users to find new ways to use energy more efficiently.

Many countries in the region already use energy efficiency targets and performance standards, along with renewables targets, to encourage new sources and greater energy efficiency. Others are progressively shifting towards market-based pricing as a means of stimulating improvements in energy efficiency and alleviating some of the upward price pressure. For example, countries such as India, Indonesia and Malaysia are making plans to remove energy subsidies (IEA 2011). These and other efforts to improve energy efficiency offer the additional benefit of restraining growth in emissions.

Australia can collaborate with the region to sharpen these responses by supporting partner countries to implement energy efficiency measures. This includes working together on minimum energy performance standards—a proven way to improve energy efficiency as people become more affluent and use more energy-hungry appliances—and continuing our work through the APEC Expert Group on Energy Efficiency and Conservation and the UN Environment Programme’s *en.lighten* initiative. We will work with Vietnam and Indonesia to support energy-efficiency standards and labelling programs.

We will use established forums to enhance cooperation on technology research, development, deployment and commercialisation, including for clean energy technology.

Dealing with energy uncertainties

While energy resources are expected to meet global needs through to 2025, there may be surprises. Energy security risks will be more diverse and more complex than in the past—technological change, social and political unrest and extreme weather all have the potential to disrupt markets.

Global and regional energy security and response frameworks will need to expand and diversify as global and domestic energy markets evolve, technologies advance, energy systems integrate and energy consumption patterns shift. Australia will work through the International Energy Agency on a more comprehensive approach to the security of energy supplies, including more comprehensive coverage of energy resources, such as natural gas, and major energy use within the region.

Exchanging ideas on natural resource management

The region is exploring and developing solutions to its sustainability challenges, and there is much that Australia can learn from those efforts. Japan and South Korea are world leaders in energy efficiency. China has embarked on an ambitious agenda of environmental reforms and will invest around US\$608 billion during the next decade in projects to improve water conservation (Byron and Jiang, 2012).

A large share of funding for our collaborative work with the region on sustainability issues comes through our aid budget. This presents two related challenges. First, many worthwhile collaborations (whether they be with Japan on energy or with China on water) do not fall within the scope of aid. Second, it means that Australia is often focused on what we can impart, rather than what we can learn from working with the region.

We need to reconsider our approach to collaboration with the region. That does not mean we need to rethink the aid budget—we have robust processes for determining which programs receive funding and which do not. Rather, we need to promote other forms of collaboration.

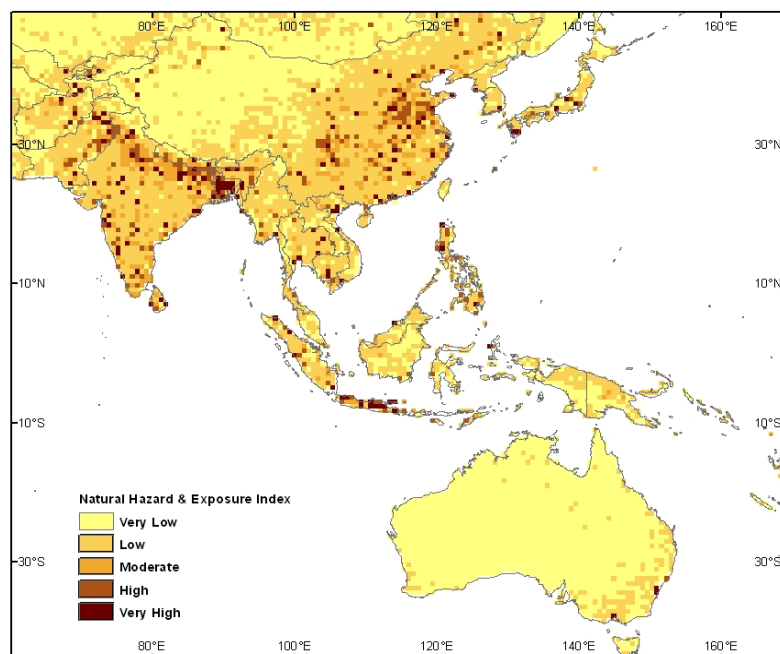
Improving resilience to natural hazards

The region is especially vulnerable to natural hazards—floods, earthquakes, tsunamis, cyclones and volcanic eruptions. The 2004 Indian Ocean tsunami and the 2011 earthquake and tsunami in Japan highlighted the scale of such disasters and the complexity of the responses needed. Population growth, the pace of urbanisation, environmental degradation and extreme weather brought on by climate change are all likely to increase the scale of such disasters and the region's vulnerability to them (Figure 8.1).

Regional countries are increasingly focusing on risk reduction measures to prevent or mitigate the effects of such disasters. Policy responses include tightening building codes in earthquake and flood prone areas; providing better information and more timely warnings to the people in affected areas; and the use of new technologies—including open data, early-warning systems, system mapping of geographical information and the use of mass instant text messaging.

A number of regional institutions are involved in this work. The East Asia Summit, in particular, is working with existing ASEAN mechanisms to improve regional disaster response arrangements.

Figure 8.1 Asia's natural hazard and exposure index



Note: The natural hazard index was created for each country by aggregating the mean value of exposure to tropical cyclone, flood, landslide and drought (1980–2000); earthquake (1973–2007); tsunami (historical 2,000 years); volcano (historical 10,000 years). This was then combined with population density data to generate the overall Natural Hazard and Exposure Index.

Source: Miller & Weber (2012).

Drawing on our experience in dealing with natural hazards, we are engaged with a number of countries and organisations in efforts to improve information sharing, overcome bottlenecks in the delivery of assistance and build countries' capacities to respond to disasters and receive assistance. For example, the Australia–Indonesia Facility for Disaster Reduction, launched in 2010, brings together a range of government agencies in both countries as well as multilateral bodies (including the UN Office for the Coordination of Humanitarian Affairs, the UN Development Programme and the World Bank) and non-government organisations.

We will continue to deploy whole-of-government teams of civilian and military personnel, as we did after the 2008 major earthquake in Sumatra and during the 2010 Pakistan flood disaster. The National Critical Care and Trauma Response Centre—established in Darwin after the Bali bombings in 2002 and 2005—is an important hub for our emergency medical responses in the region. It also delivers training to clinicians in the region. Given Darwin's proximity to Southeast Asia, its large military population and its capacity for growth in the decades ahead, the centre is well placed to become a regional centre of medical excellence in the region.

In a number of regional countries, including Australia, military personnel and assets play an important role in disaster response. The Australian Civil–Military Centre promotes stronger civil–military collaboration in dealing with conflict and disaster management. It brings together police, military and civilian agencies and non-government organisations to improve national capacities to prevent and respond to disasters and conflicts.

Continued cooperation with our partners in Asia in the maintenance and protection of international agreements, such as the Antarctic Treaty, will also be an asset. The development of the close relations we have with our Asian regional partners involved in Antarctica will be increasingly important in protecting the Antarctic region as well as in frontier marine, biological and climate research in the Asian century. Australia's scientific research and basing capacities in Hobart and in Antarctica have fostered closer cooperation with China, Japan, Korea, Malaysia and Indonesia and other partners on Antarctic research and logistics. This cooperation can be elevated through the Australia's Antarctic science strategic plan, working within the Antarctic Treaty system.

Aid and broader institutional connections

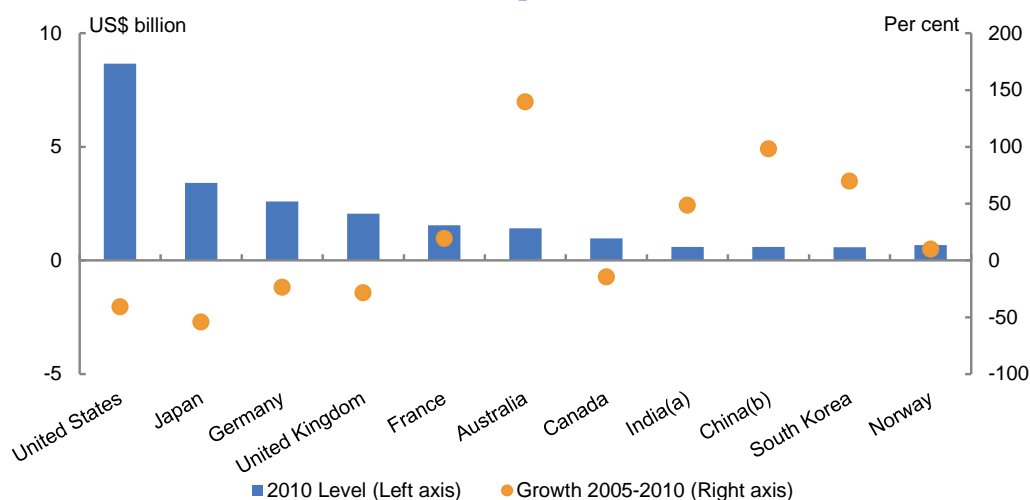
Our aid program is one of the main avenues through which we provide support for human development and human security in the region. In 2010, 58 per cent of our aid budget was expended in Asia, the second-highest proportion among all OECD Development Assistance Committee donors, after South Korea. We were the sixth-largest international donor to the region.

Our focus is on poverty alleviation and assisting the most vulnerable, but by helping to build skills and strengthen institutions, we also contribute to Asia's economic development.

As former aid beneficiaries have become aid donors, we are increasingly engaging with others in the region, such as China and South Korea (Chart 8.2). While aid from traditional donors to Asia fell from US\$45 billion in 2005 to US\$25 billion in 2010, non-traditional donors have partly filled the gap. China's grant aid has doubled since 2005. It also has a much larger concessional loan program. India recently announced that it would be establishing the Development Partnership Administration to manage its rapidly growing aid program, worth US\$610 million in 2009. This 'south–south' assistance has begun to change the landscape as new donors bring experience and lessons from their recent development experience.

In the area of human security, our trust-building policies will be directed towards information sharing and building contacts between specialists. For example, managing public health and biosecurity across borders will require particularly close regional cooperation between authorities and experts. Our biosecurity reform agenda recognises the transition now underway from an approach where we have provided capacity-building assistance to our neighbours to a new phase of biosecurity partnership and mutual recognition of capability and performance.

Chart 8.2: Official development assistance to Asia



Note: (a) India's measured assistance is from 2005–06 to 2008–09, and is not strictly comparable with other nations as it differs from the OECD Development Assistance Committee's criteria; it excludes lines of credit. (b) China's measured assistance is for 2005–2008 and is not strictly comparable with other nations as it differs from the OECD Development Assistance Committee's criteria; it includes grants, interest-free loans and subsidies for concessional loans. Estimates of assistance that include concessional loans and debt relief are one-and-a-half to three times higher.
Sources: OECD (2007a and 2012a), Smith, Fordelone & Zimmermann (2010) and Information Office of the State Council (2011).

Our engagement with multilateral bodies such as the International Labour Organization (ILO) provides opportunities to strengthen ties with our region and address shared policy challenges. We signed a five-year partnership agreement with the ILO in 2010 to provide funding to support ILO technical assistance programs that promote sustainable development and fair work, such as improving conditions for factory workers in the garment industry in several Southeast Asian countries.

While countries in our region have different cultures and histories, we can learn from each other's distinctive experiences in pursuing our common goal of promoting respect for universal human rights.

We recognise the connections between human rights and human security. Events in our region have demonstrated links between serious abuses of human rights and threats to regional security and stability. Strengthening governance, security, justice and the rule of law in all our societies assists in managing and resolving conflict without violence (World Bank 2011). We will continue to support dialogue and practical collaboration on human rights in the region. We endorse cooperative models, such as the ASEAN Intergovernmental Commission on Human Rights and the Asia-Pacific Forum of National Human Rights Institutions.

We will also engage our region more actively on wider peace-building questions, such as how we can together assist countries in other parts of the world, including the Pacific, to build stronger, more resilient and more accountable national institutions (UN 2009).

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