DISRUPTED WORLD
Ideas for a new social democratic internationalism

SPECIAL EDITION

Featuring:
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2021 is shaping up as another big year for the John Curtin Research Centre. In late January we launched The Write Stuff: Voices of Unity on Labor’s Future (edited by yours truly and Misha Zelinsky) in Melbourne with former Federal Labor leader and current Shadow Minister for Government Services and the NDIS, Bill Shorten, alongside holding events in Canberra with former Labor MP Ros Kelly and Senator Deborah O’Neill, as well as in Adelaide with contributors Senator Marielle Smith and the SDA’s Josh Peak. On March 11 we were honoured to host Victorian Attorney-General Jaclyn Symes when she delivered the inaugural Fiona Richardson Memorial Lecture sponsored by Maurice Blackburn at the Wheeler Centre. In April we launched Peter Khalil’s much publicised discussion paper, ‘Taxing Times: It’s time for multinational to pay up’ at the beautifully refurbished Victorian Trades Hall.

Our online ‘In Conversation’ series has continued with excellent sessions with Arnie Graf and Kosmos Samaras discussing the former’s recent book ‘Lessons Learned: Stories from a lifetime of community organising’, scholar Dr Toby Davidson talking about his new book ‘Good for the Soul: John Curtin’s life with poetry’ with yours truly, and Bill Shorten and Jon Cruddas yarning over the latter’s excellent debut book, ‘The Dignity of Labour’. And we were delighted to co-host with Global Progress ‘Post-COVID Politics? Lessons learned from the pandemic and priorities for the future’, another In Conversation event with Matt Browne, Emma Dawson, Kosmos Samaras and Hans Anker covering the findings of a pioneering survey into the attitudes of G7 citizens and Australians on the issues which matter most to them in a COVID-normal world.

As always, we have been highly active in the media, including coverage of ‘Taxing Times’, my regular column in the Australian Financial Review and news stories on the most recent edition of The Tocsin and much more. This special edition of The Tocsin is entitled ‘Disrupted World’ and looks at how Covid-19, the new Biden administration and other long-term trends are reshaping geo-politics, foreign policy, and the scope for a new centre-left led internationalism, the role of the state and markets, and the world of work. Several of the fine eleven contributions to this edition specifically examine how a middle-power such as Australia should deal with humanitarian crises close to home.

We are hard at work on forthcoming reports on green steel, privatisation, and advanced manufacturing. In the meantime, don’t miss out on the opportunity to attend our 2021 Gala Dinner at the Sofitel on July 8 with guest speaker, Labor’s Shadow Treasurer, Dr Jim Chalmers. If that wasn’t enough, soon we will have details regarding our fifth Annual John Curtin Lecture delivered by Aussie footballing legend and human rights activist Craig Foster. News on our upcoming reports and links to discussion papers can be found at our webpage: www.curtinrc.org or at our Facebook page: facebook.com/curtinrc

As you can see the John Curtin Research Centre continues fighting the battle of ideas. Will you support our renewed fight for a better and fairer Australia?

For exclusive access to The Tocsin and our centre’s new publications get behind the JCRC. Support Curtin’s renewed fight for a better and fairer Australia here.

In unity,

Dr Nick Dyrenfurth
Editor of The Tocsin
Executive Director, John Curtin Research Centre
A New Social Contract

Sharan Burrow makes the case for a working people-first economic recovery.

2021. This is a year when people are still living with Covid-19, but it is also a year when governments must implement serious plans for recovery. The choices made by world leaders and by business in 2021 will either heed the call of workers and civil society to reform the failed economic model and help create a just and sustainable future or maintain business as usual and see a model of corporate greed entrench inequality, exclusion, and despair – perpetuating instability for our planet and our community.

The SDGs and the Paris Climate agreement promised a zero poverty, zero carbon future with people and planet at the heart of a sustainable future. Today we are in a race against time to realise this promise. If we aspire to a future where our skies are free of pollution, our rivers run clean and our forests and oceans are living ecosystems; where people are optimistic with full employment, jobs, safe quality jobs with rights, living wages supported by universal social protection, then 2030 is a looming target getting closer with minimal action. The realisation of the UN Sustainability Goals and at least 50% of emission reductions by 2030 is an enormous shift but essential to stabilise the planet and to overcome historic levels of inequality and exclusion.

Acknowledging the ugly face of vaccine nationalism will be a first test of the shift we need. The corporate greed that makes vaccines in South Africa more expensive than in the United States or restricts the sale of vaccines produced in developing countries on license while exporting to rich nations is scandalous. But so too is the ‘profit-first’ approach that denies technology sharing to allow production and supply chain access to be distributed with solidarity support in order to be undertaken wherever possible. Universal access to testing, treatment and vaccines is of paramount importance. There are solutions that can ensure vaccines for this pandemic and the capacity to manage the next health shock on a more equal basis. Putting lives before profit is a matter of political will.

Likewise, social and environmental challenges require a different choice. An economic model with a fair competition floor of human rights, labour rights and environmental standards is possible. But it will not emerge if we don’t decide to share prosperity, stop the destruction of our ecosystems whilst beginning their repair, and create and protect safe jobs with rights and living wages for workers supported by universal social protection. The tragic irony is despite there being jobs (lots of jobs in fact) and willing investment in people and healthy environments, too many governments and corporations put up serious obstacles to protect the interests of a few people.

With almost 255 million jobs lost in 2020 and a future 130 million at risk in 2021 plus two billion people struggling in dehumanising informal work, people need a New Social Contract. Thus, in 2020 trade unions established the global call for a New Social Contract for recovery and residence. One year on, the UN Secretary General has joined growing voices in making this call. This year the International Trade Union Confederation are focusing on the five key demands that workers want in their social contract.

1. Jobs: Climate-friendly jobs with a Just Transition.
2. Rights: The promise of the ILO Centenary Declaration of Rights and Protections for all workers irrespective of employment arrangements.
3. Universal Social Protection: Social protection for all, with the fight for a global social protection fund for the poorest countries.
5. Inclusion: A peaceful world and a just, rights-based development model with the delivery of the SDGs.

This recovery must be funded with tax, debt relief and targeted support for developing economies. It will not be achieved with austerity! Whilst monopoly power and the exploitation of workers must be tackled, it will only be eliminated if we end corporate impunity with mandated due diligence and the elimination of corruption. These elements of a new social contract not only help bring the pandemic under control, but they will also help us respond to the economic and social destruction the pandemic has brought.

Jobs

With nearly 50% of households in the latest ITUC Frontline poll saying they have lost jobs or working hours because of the pandemic, investment in jobs must be at the heart of a recovery. This is even more important for women who are underrepresented in the labour market. Jobs plans should be a feature of every government’s ambitions for recovery. These jobs must be climate friendly and include just transition measures.

All sectors must transition to stabilise the planet but while we cannot accept stranded people or stranded communities there are jobs in the transition. For every ten jobs in renewable energy there are five to ten jobs in supply chains and with just wages there are between thirty to thirty-five in the broader economy. There are similar possibilities in all industries and related services if just transition measures are in place. But as technologies change, all sectors will need to ensure that people have hope of security employment and decent work. This will take planning and agreement to generate trust in the necessary shifts for both workers and their communities. Therefore, workers and their unions must be at the table to safeguard
transparency and, where necessary, there must be support for workers through secure pensions, income support for reskilling and, where it’s not possible to avoid, redeployment support. Social dialogue and collective bargaining agreements can secure these measures and help build the necessary trust.

There can fundamentally be no trust if communities are left stranded and abandoned. Community renewal needs all actors, including unions and civil society, to be part of the co-design for a secure and sustainable future. The overriding lesson from the pandemic has to be that never again can we underfund our care services - healthcare, aged care, childcare and education. These vital public services are the backbone of resilient societies. These services also help to ensure equal participation for women both ensuring quality jobs, for courageous essential workers and also lift the burden of care enabling work-life balance and removing barriers to women’s participation in the broader labour market.

The jobs dividend is significant with up to twice as many jobs as investment in infrastructure. ITUC analysis with the Women’s Budget Group has shown that if an extra 2% of GDP were invested in the health and care sector would generate increases in overall employment ranging from 1.2% to 3.2%, depending on the country. Similar analysis has been undertaken by the International Labour Organisation.

Full employment must be an essential public policy if Goal 8 of the SDGs is to be realised. This requires a jobs target of 575 million jobs by 2030. And work also requires we formalise as least half to one billion informal jobs at the same time. With minimum living wages or incomes and universal social protection supported by rights and the rule of law this is possible.

Rights

Our labour market is broken when 60% of workers are in informal work with no rights, no minimum wages and thus no rule of law. Of the 40% of workers with formal economy contracts more than a third are in insecure or precarious work. Meanwhile jobs through the emerging platform industry are largely informal and precarious as employers try to escape the responsibilities of the employment relationship.

Repairing a broken labour market in which informal and insecure work dominates can only be achieved with a floor of rights and protections for all workers irrespective of their employment arrangements. These are laid out in the ILO Centenary Agreement and include the fundamental rights of freedom of association, the right to collective bargaining, freedom from discrimination and modern slavery through forced and child labour. These rights must be accompanied by occupational health and safety laws, minimum living wages and both minimum and maximum hours of work. This labour protection floor is a test of whether people or de-humanising exploitation sit at the centre of today’s business practices including their supply chains. Monopoly power, exploitation and corruption will only be eliminated if we end corporate impunity with mandated due diligence for all corporations.

Universal Social Protection

It defies rationality that the world has increased its wealth seven times over in just the last three decades, but nearly 75% of the world’s people have little or no social protection. Only social protection with income support and guaranteed healthcare can ensure human resilience against family, national or global shocks. Unemployment, accidents, extreme weather events, economic or health shocks are not confined to the past but will sadly be all too prevalent in our future. Establishing a global social protection fund to close the funding gap in the poorest countries who have no social protection is a base test of our humanity.

Equality

Covid-19 has exposed the despair income inequality and discrimination creates. Sadly, our world has turned a blind eye to discrimination and distributional inequality. De-humanising exploitation as a basis of the global economy must end. Indeed, millions of migrant workers were simply discarded by nations they were helping and stranded without work or social protection. Exclusion because of gender or race cannot be a basis for any business model. Full employment with equal participation of women and young people whatever their race or nationality has to become a reality, as well as income inequality. Minimum living wages, collective bargaining rights, equal remuneration and universal social protection cannot be optional.

Inclusion

Without peace and a serious shift in development policy with the realisation of the SDGs so that all nations prosper people cannot live stable and optimistic lives. Global monopoly power in key sectors like technology, pharmaceutical and agriculture amongst other global corporate activity is crowding out competition and opportunity. Choice for workers and consumers is being stripped away and impunity for rights violations, environmental degradation and taxation contributions are being cast aside along with it. Growing authoritarianism is threatening democracies. It is clear that if shared prosperity and sustainability are not front and centre in the choices we make to climate and employment proof our future despair, anger and conflict will grow. Social cohesion will remain a dream without global peace and a serious shift in development policy such that all nations prosper and all people can live stable and optimistic lives.

Recovery and Resilience

Recovery and resilience can be funded through a combination of critical debt relief, debt elimination and taxation reform. We have seen some measures of debt relief and the possible solidarity of liquidity swaps from special drawing rights but more can be done. Global taxation reform, however, is long overdue. A minimum tax floor for all corporations, a billionaires or wealth tax, a digital tax and a financial transactions tax with an end to tax evasion and illicit financial flows are possible and would help redirect the pendulum towards shared prosperity. All nations or indeed communities will have their own additional ambitions as they design their new social contract, be it housing for all, liveable cities, or safe streets with the elimination of violence and fear. All it takes is the courage to ensure a just and sustainable recovery based on a new social contract.

Sharan Burrow AC is the General Secretary of the International Trade Union Confederation and a former President of the Australian Council of Trade Unions.
As Pope Francis has remarked, we are witnessing not an era of change but the change of era. The coronavirus crisis has sped up long-standing developments decades in the making. Namely, the fragmentation of free-market globalisation and the resurgence of the protective state; a greater emphasis on borders and national sovereignty; the need for greater investment in public services and the importance of civic community; the urgency for science and technology to serve human needs in a manner that also favours ecological balance. Underpinning these developments is the changing role of the state in the market.

The worldwide health emergency suspended the operation of capitalism for some time but did not transform its fundamental logic. Across the West, the dominant response was to replace a Hayekian/Friedmanite market fundamentalism with neo-Keynesian state activism as governments underwrote the wages of workers and provided emergency loans to businesses in distress. After forty years of near-permanent Thatcherite economics with its focus on maximizing individual choice in the marketplace, this was no trivial change. As the coronavirus crisis accelerates the fragmentation of globalization, the resurgence of the nation-state could help to re-localise supply chains, reinvent industrial policy aimed at greater domestic production of critical supplies and a new political consensus on sustained, higher investment in public services – in particular health and social care. Beyond right- and left-liberal economics, we seem to be witnessing a new age of state intervention in the economy based on fiscal expansion.

Two faces of state intervention

The state can be a valuable partner in disrupting the rule of corporate capitalism and creating a space in which civic institutions can flourish. Government can do good by encouraging and rewarding more virtuous behaviour of both individuals and firms. In fact, the resurgence of the sovereign state is not entirely new. Prior to the pandemic, the nation-state was already re-emerging as a bulwark against the global market. Now the post-viral era has the potential to bring about a new settlement in which the protective state not only saves the economy but also strives more, at least in appearance, to serve the common good of society – beginning with greater national resilience concerning food, water, energy, medical supplies, manufacture, and transportation. The development and roll-out of Covid-19 vaccines in the US and the UK is a powerful testament to the good government can – and indeed do – do.

Yet increased government intervention on its own provides little more than a Band-Aid that still leaves us vulnerable to the pandemics, ecological threats and social crises of the future. While the strengthening of the state is necessary, central sovereign power tends to favour market expansion into all areas of society, as in America, or leads to some form of totalitarian state capitalism, as in China. Either way, the sovereign state is more often than not complicit with the exploitation of workers and the commodification of life, as Karl Polanyi pointed out in his classic book The Great Transformation. Alongside capitalism and mass media (turbocharged by social media), the nation-state – without strong civic institutions and international cooperation – ends up undermining social bonds.

Market and state combine to erode the mutual self-organisation of people. As Paul Collier’s The Future of Capitalism notes, the tragedy of the post-war settlement is that the complex web of reciprocal obligations between citizens, generations and communities within nations was progressively absorbed by central state power. The more rounded person morphed into the increasingly entitled individual as top-down state paternalism replaced communal reciprocity. With the rise of Benthamite utilitarian technocracy and Rawlsian liberal legalism, the conception of citizens as ethical actors with obligations towards others was abandoned in favour of the new notion of mere consumers in pursuit of their own individual happiness – aided and abetted by centralised welfare.

“Compared with the post-war era, power and capital are nowadays far more centralised and concentrated while personal savings have given way to personal debt.”

The increase in state power has so far accrued to the benefit of big banking and business. Money redistributed to the peripheries drifts back to the centre as people flock to the booming metropolis – creating a deepening divide between hubs and heartlands. Meanwhile financial aid to the disadvantaged in the broken towns turns into further dependency. For now, the dominant response to Covid-19 reinforces the rule of the nation-state and of capitalism, which together weaken what the historian E.P. Thompson called the “moral economy” built on “customs in common”.

State activism alone not build a more resilient and just market economy. The reverse face of an expanded government role

Adrian Pabst writes on why Covid-19 is a crossroads for Lab(u)r parties.

Surveillance capitalism or social market?
in the economy will likely be continued state support for the
forces of unfettered capitalism and instrumental technology
that already dominate and distort our daily lives. So far, tech
platforms like Amazon, Google or China’s Alibaba are the
main winners of the impending economic depression, besides
other corporate oligarchs that include newcomer Zoom. As
Shoshana Zuboff has shown, a system of bio-surveillance
is taking shape with the power to monitor and manipulate
the behaviour of whole populations. The real alternative to
the Western market-state and the Eastern state-market is a
protective state that combines pluralist democracy with a
corporatist conciliation of estranged interests and strong
institutions to devolve power to people.

Building a Social Market

Key to a renewed role of the state is the idea of national
development based on national interest as opposed to an
exclusive focus on integration into the global economy. The
latter was the case for the ‘third-way’ politics of Bill Clinton
and Tony Blair who championed a ‘knowledge economy’
geared towards global free trade while neglecting national
industrial production and the importance of vocational and
technical training. In his book The Work of Nations, Robert
Reich, Clinton’s Secretary of Labor, described the previous
consensus as follows: “There will be no national products
or technologies, no national corporations, no national industries.
There will no longer be national economies. At least as we
have come to understand that concept”. Once Covid-19
exposed our vulnerabilities, millions of people across the
West paid the price with their lost lives or livelihoods.

“To build a model that
generates both wealth
and health, it is vital to renew the
idea of a developmental state.
That would be in line with post-
war social democracy and the
wider labour movement.”

For example, in the UK Labour won power in 1945 and 1950
based on programmes of national economic development.
Government and the free, democratic labour movement
worked together to domesticate capital and forge alliances
with business at the service of national prosperity. Instead
of class war or labour’s surrender to capital, the Attlee
government stood “not for class and nation but for class-
in-nation; or more exactly, for nation over class”. What the
historian David Edgerton calls a ‘developmental state’ was
at the heart of rebuilding Britain following the devastation
of World War Two. If the UK wants to prosper in the wake
of both Brexit and Covid, then the national interest will have
to prevail over ideology or sectional interests. The model of
national development provides a conceptual framework to
craft a politics and economics of the public good.

In policy terms, this means:

1. Building institutions such as regional or sector banks,
   R&D agencies and technology clusters to support state
corporations and private companies to compete in the
   global economy;

2. Boosting productivity and real wages for workers in the
   national economy. It translates into an activist state that
   promotes research, innovation and investment in strategic
   sectors, using a mix of industrial policy, public finance for
   R&D and partnerships with businesses small and large.
   Yet just as Covid-19 has strengthened the case for such
   models of government intervention, so too the danger of
   state/market-backed oligopolies at the expense of small-
   and medium-sized enterprise or local business looms
   large.

Missing from national developmentalism is a concern for the
civic infrastructure required to support research and innovation
across the whole economy, not simply high-performing firms
– an institutional ecology in which all parts of the country
can develop and flourish, including small towns as well as
rural and coastal areas. Shared prosperity will not happen
based on a divided economy in which growing inequalities
of wages, productivity and job security persist. A holistic
approach is needed to bind together the pursuit of wealth,
health and well-being. National developmentalism glosses
over two dimensions that are critical to building relational and
resilient economies. The first is what Karel Williams and other
economicists call the ‘foundational economy’ – the everyday
economy on which lives and livelihoods depend. The second
is tackling head on the threat from big business, especially
global corporations and tech monopolies to the ecosystem of
national, regional and local economic activity.

Foundational Economy

The ‘everyday economy’ shifts the emphasis from the global
economy or central structures at the national level to those
economic sectors made up of services, production and social
goods that sustain our daily lives: retail, the food industry,
hospitality, as well as manual jobs such as in construction,
security or care. This part of the economy is characterised by
low wages, low productivity and low skills, which all prevent
strong growth and human flourishing. Addressing these
structural failures is key to a programme of national renewal
that can generate shared prosperity for the whole country.
Building the foundational economy that determines the well-
being of most people is critical for ideas such as a ‘universal
basic infrastructure’, which would ensure that all parts of
a country have access to adequate housing, transport,
education, health and social care. Without firm foundations –
work, family and local community – no economy can provide
sufficient investment in infrastructure, decarbonize energy
generation, support manufacturing and industry, unlock
long-term investment and thereby enable growth across the
nation. In turn, work, family and local communities can only
be sustained over time by a ‘universal basic infrastructure’
embedded in relationships and institutions.

“The key insight of this idea is
that the foundations of wealth
and value creation are being
undermined in ways that harm
all of us except perhaps the top
few per cent in society.”
Cleaners, carers, rubbish collectors, nurses, shop workers and those picking crops are among the forgotten people of our economy. Their hard work is neither properly rewarded nor recognized and their meagre pay means that they struggle to make ends meet. A steady flow of migrant labour has reinforced the exploitation of workers, both indigenous and immigrant, while the top managers and their shareholders extract rents – excessive profits that far exceed value creation. This rentier capitalism destroys a market economy in which everybody has a chance to get their fair share.

Growing affluence for the few coincides with greater division and injustice. The price we pay for greater freedom of choice is higher levels of loneliness and social fragmentation.

Faced with this threat to the foundations of our economy and society, the focus on the infrastructure of everyday life can define an ambitious programme of national renewal. The focus has to be on work, wages, the place where people live and the wider civic infrastructure that supports small- and medium-sized businesses. Work – both paid and unpaid – is by far the most important question. To uphold the dignity of labour, the subject of a new book by British Labour MP Jon Cruddas, our economy has to create value based on work that provides both income and meaning. Job losses and unemployment are drivers of precarity, poverty, ill health and death. A programme of national development needs to be built around a Jobs Guarantee – a programmatic policy that can act as an anchor.

To conclude: national economic development built on the everyday economy is an old idea whose time has come again. It means putting work first through a Jobs Guarantee and paying the real ‘living wage’ or even the ‘family wage’. It means strengthening workers’ participation through renewed trade unions and workers’ presence on company boards. It means recognizing the status of ‘key workers’ and their activity through the creation of new royal colleges, combined with new institutions for vocational and technical training.

It means turning closed oligarchic systems into open, competitive markets by transforming tech platforms into public utilities. It means setting up regional and sectoral banks to spread capital investment across the forgotten parts of the economy, as well as creating a national development bank to finance producers rather than renters who simply extract wealth. Focusing on the nation requires government and a civic ecology of institutions to serve the interests of future generations, and prioritise long-term development and resilience.

Adrian Pabst is Professor of Politics at the University of Kent and Deputy Director of the National Institute of Economic and Social Research. His latest book is Postliberal Politics: the coming era of renewal (Polity, 2021) on which this essay draws.
In 2018, 40 million people worldwide were estimated to be trapped in some form of modern slavery. Vulnerable adults and children forced to work on farms or in factories for little or no pay. Women beaten until they agree to take part in an arranged marriage. Kidnap victims forced into a life of violence and degradation as part of the global sex trade.

The official figures on modern slavery make for grim reading. According to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), at least 40 million people are victims of modern slavery worldwide – with nearly 25 million trapped in forced labour and about 15 million in forced marriages. Almost three-quarters are female – and one in four a child – with modern-day slavery most prevalent in Africa followed by Asia and Pacific. Almost three-quarters are female – and one in four a child – with modern-day slavery most prevalent in Africa followed by Asia and Pacific. North Korea has the world’s highest rate of slavery, with about one in ten people enslaved, followed by Eritrea (9.3%), Burundi (4%), Central African Republic (2.2%), Afghanistan (2.2%), Mauritania (2.1%), South Sudan (2%), Pakistan (1.7%), Cambodia (1.7%) and Iran (1.6%). India is home to the largest number of slaves globally, with 8 million, followed by China (3.86 million), Pakistan (3.19 million), North Korea (2.64 million), Nigeria (1.39 million), Iran (1.29 million), Indonesia (1.22 million), Democratic Republic of the Congo (1 million), Russia (794,000) and the Philippines (784,000).

These are the stories that make the news headlines and our social media feeds. These are the stories that make us recoil in horror. But there’s another group of people similarly dispossessed yet not counted in these figures and they live far closer to home for us … perhaps too close to home. As shocking as OCHA’s figures are, they ignore another form of dehumanising exploitation without which the modern western lifestyle increasingly could not survive. We all commonly refer it to the ‘gig economy’ or the precariat.

The average middle-class person in this country, working in some profession, relies on at least a dozen forms of exploitation to sustain their lifestyle. From the person delivering the endless online shopping orders and the late-night Uber Eats, to the seller and provider of the mobile devices connecting us to our professional and social network, to the food purchased at Coles or Woolworths. The sad reality is that every day someone somewhere is exploited and robbed of their dignity so a resident of Fitzroy or Balmain can continue living their lifestyle. From the person delivering the endless online shopping orders and the late-night Uber Eats, to the seller and provider of the mobile devices connecting us to our professional and social network, to the food purchased at Coles or Woolworths. The sad reality is that every day someone somewhere is exploited and robbed of their dignity so a resident of Fitzroy or Balmain can continue living their lifestyle.

We are all guilty of perpetuating this seemingly acceptable form of slavery but, until 2020, most of it was hidden, out of sight and out of mind. Most of us didn’t give a second thought to the dozen exploited foreign workers crammed into a rental property in Mildura, a rental property leased by one of the many labour hire companies making millions from the trade of overseas cheap labour. We ignored the countless warnings from unions, about these workers being exploited and underpaid. About the physical and sexual abuse inflicted upon this trapped workforce. Even when property prices ballooned in regional cities like Mildura and Shepparton, we again chose not to acknowledge it was because of this grim reality. Labour hire companies buying up homes to further isolate and control workers was apparently good retail business.

In decades past, immigrants have come to Australia to build a better life for themselves, with their presence and contribution enriching the fabric of Australia’s society. Yet now, it seems that the hopes and dreams of today’s young immigrants are shunted aside by our seemingly insatiable appetite to have everything from open shops to package and food deliveries available 24 hours a day, seven days a week. This relentless demand, and the effect it has on every aspect of these people’s lives, has remained invisible to those who most benefit from their efforts. Until now.

COVID-19 has acted like a bucket of thick coloured dye, pouring over the rough surface of our society, revealing all the ugly imperfections. Suddenly the tortured lives of the exploited were out in the open. Not because we finally had a revelation and acknowledged their existence but rather the very network of exploitation that we’ve relied on for so many years, challenged our efforts to control the spread of a virus. Many within the political and media world, expressed alarm when it was reported that a meatworker also worked after hours driving a uber and, on weekends, as a security guard. Some were horrified that this person was ‘irresponsibly’ holding down three jobs. Before the pandemic, we were all collectively ‘ok’ with how our meat landed on our plate or how we got to our favourite drinking venue during the weekend. We were also ignorant that one person was possibly ensuring both outcomes for us.

Political leaders were dismayed when their calls to stay home if ‘you had symptoms’ were ignored by young care workers, who already had spent the majority of their working lives turning up to work even when ill. Their attendance not driven by love of the job but rather a fear of losing hours, pay and even employment. These workers did not fear political leaders but rather their boss, and the loss of the pay cheque they needed to survive another week. Not even the growing number of carrion birds, hovering around their workplace, were enough to frighten them away. This bleak scene was actually described by a son of Greek aged care residents at St Basil’s who contracted COVID-19. In the dead of winter, this man attempted to seek out his mother amongst the chaos and turmoil of an aged care centre in lockdown. As the gathering carrion birds looked on, he and many other children worried for their relatives, desperately pressed overwhelmed staff for even that faintest sign that his mother was ok, or even still alive.

Instead, as he sat at home, possibly watching mainstream TV beam pictures of people working from home safe and well, he received the dreaded call. His mother had died. To the outside world, she became a number, a statistic tweeted out to millions...
who anxiously refreshed their app or browser, waiting for the latest COVID-19 update. Like many, her death was triggered by terrible infectious control protocols. For young, aged care workers, contracting COVID 19 was a terrible fear but not turning up to work equally weighed on their mind, as it meant they would certainly lose pay, and possibly their job. Before the pandemic, their anxiety meant little to an industry that gorged itself on the profits made possible by terrible workplace conditions and equally terrible living conditions for those housed within these facilities.

These conditions ran unchecked by authorities, complacent watchdogs, inattentive politicians, and the people who entrusted their loved ones to facility care. It took a natural disaster to make industry, and indeed every one of us pay attention. COVID-19 ripped through aged care, through meatworks, practically through every crammed and poorly run workplace that facilitated our western lifestyles. This tragic sequence of events was to repeat itself right across much of the developed world. During the first half of 2020, some of the anti-lockdown establishment embraced ‘Sweden’s approach’ to this pandemic. We were treated to images of healthy-looking white people, enjoying time out in the sun, at cafes and restaurants.

Hidden from this utopia were again the exploited. The Afghan taxi driver infected by a couple returning from their Ski holiday in the Italian Alps. The Somali aged care worker who took home the virus to her elderly parents. The list goes on, and on. In Belgium, authorities were confused as to why weeks of lockdown did not flatten their curve. The bewilderment turned to xenophobia as they slowly realised that much of the contagion was spreading throughout their itinerate Turkish migrant workforce. In that country, temporary migrant workers meet labour demands in construction and heavy industry, with low paying, exploitative work. Across much of the EU, the first waves of COVID-19 swept through an underclass of workers, legal and illegal. We were treated to pictures of empty city landscapes, people working from home, whilst case numbers kept climbing. Were people disobeying stay at home orders? No. Someone had to deliver the food, stock the shelves, clean hospital floors, and make sure the lights were kept on.

Have we learnt a lesson? Sadly, the only steps that are being taken at preventing a future pandemic are those purely focused on science and research. These steps are long overdue, but they alone will not prevent a repeat of 2020. Unless the West seriously tackles its exploitation of an underclass of workers, no amount of research and preventative measures will stop the next big pandemic – which is due within ten years. Even here in Australia, where our collective pandemic response has been described as ‘world class’, we are slowly reverting back to our pre-pandemic habits. The vaccine roll-out has been sluggish, but importantly, it did focus on protecting ‘front line’ workers. Well, some of them. Were uber drivers, food delivery workers, retail workers on this ‘front line workers’ list? No. Was the precariat workforce at the forefront in the minds of those making decisions on who was first in line for the jab? No. In just a few months, we had again allowed this underclass of workers to be pushed back into the shadows. Ignored.

The next big pandemic can only be prevented if we collectively agree to get rid of our modern version of slave labour and exploitation. You may just have to get in your car and pick up your meal in person. Or you may have to demand more from our aged care industry, that is not focused on share dividends but rather quality of life, care, and love. Our governments may indeed have to place strict operating conditions on companies like Amazon that did more for the spread of this virus in countries like the US than hinder. We may indeed have to place this precariat workforce front and centre of our society, thanking them for keeping ‘the place’ running and making sure they are paid well, protected against disease and exploitation.

Kosmos Samaras is a Director of RedBridge Group, a long-time former Assistant Secretary of the Victorian Labor Party and JCRC Advisory Board Member.

Farm workers deserve a fair wage

Join the campaign to guarantee farm workers a minimum wage

awu.net.au/campaigns/fair-piece-rates
It will be two years in June since the International Labour Organisation’s International Labour Conference adopted the Violence and Harassment Convention (No. 190) and Recommendation (No. 206). ILO Convention 190 (C190) was the successful result of years of campaigning by unions and others around the world to address gendered violence and harassment at work.

The Federal Coalition Government, and Australian employers, participated in the Conference and supported the adoption of C190. The Commonwealth government must now step up and ratify this Convention, especially as it is also one of the recommendations of the Australia Human Rights Commission’s Respect@Work: Sexual Harassment National Inquiry 2020 report.

C190 is a significant convention recognising the right of all workers to workplaces free from violence and harassment. It recognises gender-based violence and harassment; family and domestic violence as a workplace issue; protects all workers regardless of contractual or employment status, including volunteers, trainees, apprentices, and casuals; and recognises violence and harassment is an unacceptable threat to equal opportunity and decent work.

**Impact of COVID on violence and harassment in the world of work**

The impact of Covid-19 globally on the levels of violence women have experienced has been profound. During Covid-19 we have seen frontline workers, disproportionately women, subjected to skyrocketing levels of violence and harassment from customers, patients and clients.

A recent survey conducted by the SDA found that retail workers experienced greater levels of abuse and violence at work during Covid-19. The survey also found that more than one fifth (21.5%) of retail and fast-food workers had been deliberately spat on or coughed on by a customer during the pandemic. Female members were slightly more likely to have been coughed or spat on during Covid-19 (22%) than male members (19.5%), and the most at-risk groups were young female members aged 18 to 25 years (31%) and female members aged 26-35 (27%).

Much has been written about the far-reaching, negative impact Covid-19 has had on women and gender equality. While violence at work has increased, so too has violence at home. Domestic and family violence has spiked around the world, and this has been exacerbated as large numbers of workers have had to work from home, regardless of whether it is safe to do so. According to UN Women, domestic violence has risen by more than 20%. In 2019 the United Nations reported that ‘home’ is the most dangerous place for women and children. Covid-19 lockdowns and work from home arrangements designed to reduce the community spread of the virus, has resulted in an increased risk and greater levels of violence against women and children in the home. The pandemic also created barriers to women’s access to information and vital support services including social, health, legal and protective services when they needed it most.

**Gendered Violence – Sexual harassment**

The issue of gender-based violence has never been more at the forefront of discussion and debate in this country than in the past six months. Unfortunately, sexual violence and harassment are an all-too-common feature of Australian workplaces. Women have been speaking out about their experiences of workplace sexual harassment and have taken to the streets through the March 4 Justice rallies to express their anger and frustration at the levels of violence they experience, and the appalling lack of action by governments being taken to address it.

There is an epidemic of sexual harassment in Australian workplaces and it is not improving, if anything it is getting worse. In 2018 the SDA partnered with the Australian Human Rights Commission to better understand the prevalence of sexual harassment in the retail and fast-food industries. The results were alarming and demonstrates why we need to urgently ratify C190.

Worryingly, 39% of retail and fast-food workers have experienced workplace sexual harassment in the last five years. This is higher than the general workforce at 33%. Women are more likely to experience sexual harassment at work with 46% of women compared to 29% of men. One in three women experienced workplace sexual harassment in the last twelve months.

More than half (57%) of female members aged 18-29 years and 51% under 18 years of age experienced sexual harassment in the same period. Stop for a moment and take in that last statistic in. Half, yes half, of all young girls working in retail and fast-food, under the age of 18, have experienced sexual harassment at work. For most young people this is their first experience of being in the paid workforce and yet more than half will experience sexual harassment at work.
The most common forms of sexual harassment in the workplace are sexually suggestive comments or offensive jokes (24%), yet physical assault such as unwelcome touching, hugging, cornering, or kissing (14%) and inappropriate physical contact (12%) are just as common. One in five members were sexually harassed by a customer, the latter being the perpetrator in 36% of all sexual harassment cases. Another key feature of sexual harassment is that it is often experienced over a sustained period of time: more than half (53%) of cases lasting more than six months.

Workplaces are unsafe

Workplaces cannot continue to be unsafe. Violence and harassment are workplace hazards which cause psychological harm and has a serious impact on long term mental health; from PTSD (post-traumatic stress disorder) to depression and anxiety; it impacts our well-being. It reduces our potential and limits our productivity and contributions to our communities. The SDA Sexual Harassment Prevalence survey found the impact of harassment on physical or mental health is profound, with 6% of workers reporting that they had suicidal thoughts and 4% reported suffering from PTSD because of their unsafe workplaces. Our recent survey of members on customer abuse and violence found almost three quarters (71%) of members who experienced abuse and violence from customers said it impacted their physical and/or mental health. Health impacts included anxiety (72%), stress (76%), depression (32%), burn out (39%), and more serious or enduring impacts such as suicidal thoughts (7.5%) and PTSD (6.5%).

Gendered Violence – A threat to equal opportunity

The C190 recognizes that violence and harassment in the world of work is a threat to equal opportunity. Unfortunately, gender equality in Australia is in steep decline, dropping another six places in the World Economic Forum’s 2021 Global Gender Equality Index, down from 44th to 50th and a significant drop since 2006 when Australia was ranked 15th. Women are more likely to experience violence and harassment at work and more likely to be in insecure work. These two points are related, which is why we need to rewrite our workplace laws in relation to sexual harassment and violence. The current design of the sexual harassment jurisdiction in Australia fails to support or recognise that women are more likely to be in insecure work and therefore more likely to be unable to address these issues in the workplace without risk their jobs.

Covid-19 has only exacerbated the structural inequalities which exist in our economic and employment participation models. The pandemic ‘recovery’ for women has resulted in secure full-time jobs being replaced with part-time and casual jobs and women being more likely to be underemployed than men. Insecure work severely impacts the ability for a worker to make a complaint of sexual harassment in the workplace. Our current workplace laws do not keep workers safe. Urgent improvements are needed to health and safety laws, anti-discrimination laws, and industrial laws in order to prevent workplace violence and harassment. The ratification of C190 is an important first step in ensuring violence and harassment at work is eliminated.

Ratification of C190

In the two years since this Convention was made it has only been ratified by five countries: Uruguay, Fiji, Namibia, Argentina, and Somalia. There are however some signs of progress. Trade unions globally continue to work hard to promote the ratification of C190.

Several countries in the Asia-Pacific region have taken encouraging steps. In Samoa, it is likely that C190 will be ratified before the end of 2021. In the Philippines, the Department of Labour and Employment has set up a Working Committee to oversee the ratification process. In Indonesia, stakeholders submitted position papers and briefings on C190 and its need for ratification to the labour ministry as well as Parliament. In Japan, a liaison committee was created, composed of relevant ministries and the Japanese Trade Union Confederation (RENGO), and discussions on ratification in this forum are ongoing. C190 is influencing practice on the ground: unions report that a number of recently agreed collective bargaining agreements with employer bodies borrow language from the text of the C190 and Recommendation 206.

Italy has already ratified C190 but requires an EU Council decision to proceed. Finland and Spain have expressed their intention to ratify it. In France, a campaign has been launched with a petition calling on the government to ratify C190. Albania has initiated the ratification procedure and trade unions expect C190 to be ratified in 2021. Cameroon, Mauritius, Niger, Senegal and Togo have sent the convention to national authorities. In Peru, UNI Global Union – the global union federation for retail and other service sectors, is working with the others to campaign and promote the process for ratification of C190. Letters are being sent to the Congress where a Special Commission presents arguments for debate. In Colombia, a joint effort is already planned with the UNI Americas Women’s Network to promote the ratification of C190. In El Salvador, trade unions are supporting the request to government for the ratification of C190. Chile, Venezuela, Panamá and Dominican Republic are campaigning towards the ratification.

Australia has not ratified this Convention and to date appears to have no interest in doing so even when we know that Australian workplaces have a very serious problem with violence and harassment at work; a problem that appears to be getting worse, not better. It is further evidence – if in fact we needed any - of the willful blindness this Federal government has to gender equality and equal opportunity. Yet if the COVID pandemic has shown us anything, it is the importance of C190 and the urgent need to ratify the Convention both here and globally if we are to address the epidemic levels of violence and harassment, predominantly experienced by women, both at work and at home. It’s finally time for Australia to ratify C190.

Julia Fox is the Assistant National Secretary of the Shop, Distributive and Allied Employees’ Association.
A new progressive internationalism

Joe Biden’s US Presidency signals an important global shift, writes Matt Browne

Last month, as Joe Biden marked his first 100 days in office, analysts, and commentators from around the world offered their views on the new administration’s direction and early success and failures. Labour and Social Democratic strategists have been particularly keen to search for the green shoots that point towards a new policy agenda and political strategy that others might follow. Unfortunately, many of these readings have tended to transpose their own pre-formed analysis of what is necessary to renew the progressive offer at home onto the supposed lessons from the United States. So-called moderates point to Biden’s ‘centrism’ during the campaign. Left-wingers, on the other hand, tend to focus on the scale of his investment agenda.

With a little nuanced perspective, however, I would suggest it is possible to identify the central tenets of a new agenda, strategy and, most importantly, progressive internationalism at the heart of Joe Biden’s politics.

“This break can be seen in three main areas: his vision of the economy, his approach to political capital, and his pro-active attempts to reframe the international system. It is through this lens that Biden has begun to provide a resolution to what Tony Blair argued in his recent New Statesman essay was the fundamental conundrum that today’s progressive politics faces: namely that the radical politicians aren’t sensible, and the sensible politicians are not radical enough.

A little over a year ago, Joe Biden’s pitch to become the Democratic Party’s nominee for President seemed to be that he was a safe pair of hands that could be trusted to appeal to the more conservative-minded voters in the rust-belt and suburbs and ex-urbs. Few analysts and commentators enthused about his candidacy. Most viewed him as the least radical of candidates: less aggressive on economic reform than Warren, less representative of the future of American society than Buttigieg or Harris, less revolutionary than Sanders. Indeed, following a trip to the Iowa Caucuses in early 2020, most members of the Global Progress network were convinced Biden for the Presidency would likely be over before the Spring. Yet, one year later, even the most seasoned commentators are more likely to draw comparisons with Franklin Delano Roosevelt than Clinton, the original comeback kid.

The primary reasons these comparisons are drawn today is the scale and ambition of Biden’s investment plans, and his willingness to use the government as a force for change. The $1.9 trillion American Rescue Plan he passed in the early days of his administration is twice the size of the stimulus that Obama managed to pass following the financial crisis. While it provided both direct support for most Americans through a direct cheque as well as support to state and community budgets, many of the welfare and spending measures are temporary. It is, then, but the appetiser for a more ambitious plan to spend $4 trillion on infrastructure, climate change and welfare reform.

“Biden’s approach to economic recovery is founded on a fundamentally different economic philosophy to that which underpinned the Third Way. His decision, for example, to provide unconditional support to those in need or to advance the idea of universal childcare support stands in stark contrast to the approach of the 1990s and 2000s, when welfare payments were always tied to conditional incentives to work.”

Moreover, while Third Way politics sought to incentivise business with tax cuts intended to help grow the economic pie, Biden’s American Families Plan will be funded through taxes on the wealthy and profitable corporations.

To be clear, Biden’s agenda is not a simple one focused on redistribution, rather it is based on the idea of redistribution. At its heart, it’s an understanding that was forged out of the work he undertook leading the Middle Class Tax Force during the Obama Administration.

It rejects market fundamentalism and trickle-down theories, and builds on the middle-out economic theories developed by Heather Boushey at the Washington Centre for Equitable Growth and Jared Bernstein and the Economic Policy Institute. This vision sees the economy as a layer-cake rather than a pie to be grown. It rests on the belief that the foundational ‘bottom-layer’ of the economy — worker’s health, education and wellbeing — is key to economic growth and must be invested
in a priori. It is the fundamentals of this vision that is radical, and far more important and transformational than the size of the investment package Biden hopes to push through Congress.

Notably, Biden’s Treasury Secretary, Janet Yellen, has also shown a similar degree of radicalism in seeking to reshape the geo-economic context in which their domestic agenda coheres, advancing the idea of an international base rate of corporate taxation.

“Third Way politicians generally believed that there was little that could be done to tame some of the most negative effects of globalisation.”

Even Gordon Brown, a relatively internationalist UK Chancellor who helped shape the G20 consensus following the Global Financial Crisis, famously compared global finance to migrating birds. Claiming international capital would always flee unfriendly environments for warmer climates, Third Way politicians and those that followed them illustrated little if any appetite let alone capacity to build the relevant international agreements and architecture.

This aggressiveness on international corporate tax is matched by the Administration’s willingness to lead on climate and democracy too. During the first 100 days, Biden has already hosted a world leaders’ summit on Earth Day, and plans are afoot to host a Summit for Democracy – though the pandemic may prevent this being held during the first year in office. The focus on democracy provides an indication of the world view many within the administration hold, namely that liberal internationalism is under threat and needs to be revitalised.

While the post Second World War era might have been defined by a competition between Communism and Capitalism, one senses that Biden’s views the current era as one characterised as a battle between democratic capitalism and authoritarian or autocratic capitalism.

In recent months, tensions with Russia and China have grown. Discussion at the G7 Foreign Ministers summit in London this May illustrated that the new US Secretary of State Antony Blinken will use fora such as these – that group together like-minded democracies – to harden resolve against Russia and China. This line of dialogue is likely to continue at the G7 and Leaders Summits in June, to which India, Australia and South Korea are invited, and at the NATO Leaders meeting that follows.

While it might be an exaggeration to compare this new geopolitical environment with that of the Cold War, it will clearly be much harder to disentangle the economic and financial affairs of China and the United States, the creation of an alliance of democracies and the necessity of illustrating democracies can succeed in the twenty-first century is both a domestic and international priority of Biden’s presidency.

Indeed, the domestic urgency of illustrating that democracies can get things done and that government action can improve people’s lives cannot be understated, and may well explain the size of Biden’s ambitions at home and how he has chosen to use his political capital during the early days of his presidency.

Traditional approaches to political capital and its uses tended to focus on spending it to do difficult things early, in the hope that the benefits would pay off later.

I recall in the early 2000s a heated conversation on the fringes of a Progressive Governance Summit. Advisors to Tony Blair were trying to persuade those of Gerhard Schroeder to push forward with much needed reforms to the labour market in Germany. Schroeder waited, and many may argue Merkel was the ultimate political beneficiary.

Biden’s ambition is driven by the desire to have an immediate impact, and thus get an immediate political return on the investment of his political capital in the short term, in order to be able to advance an even more ambitious agenda.
When he was sworn into office, Biden’s capacity to rapidly disseminate vaccines and to push through a large fiscal response to the economic downturn seemed slim. However, what at first seemed difficult and politically costly, has proven anything but. Biden’s policies are largely popular with the public — even vaccine hesitancy has declined — if not with the Republican Party.

“[Biden’s] challenge now will be to maintain this momentum, against increasingly strong partisan headwinds.”

A recent Global Progress survey of Australia and G7 nations commissioned in advance of the June Summit provided striking results — Biden’s new agenda is far more popular abroad than it is at home, and is considered by citizens across the globe as a model their own governments should follow.

At the national level, Senate Republicans are refusing to support a commission investigating the January 6 attack on Capitol Hill. And, at the state level, Republicans in states sucks as Georgia, Florida and Texas, among others, are pushing through aggressive legislation that will make it harder for people of colour and the disadvantaged to vote. The political gamble Biden is taking is that his massive investment and spending agenda will persuade some Republican supporters to vote for Democrats in the mid-terms, even if he cannot persuade their elected officials to support any of his bills. Biden’s willingness to promote a new progressive internationalism, then, is perhaps driven as much by a desire to secure economic progress at home and defend American democracy.

For now, Biden’s political capital is growing, but the hardest challenges still lay ahead. And, while his agenda remains popular, many who voted for the President expected him to be far more cautious than he has proven to be. We are yet to discover whether such boldness will be a vote winner in the future. The answer to that question may well determine the future of democracy in America.

“Indeed, in the United States it may not be too dramatic to suggest that democracy is under siege.”

Matt Browne is a senior fellow at the Center for American Progress and director of Global Progress, where he works on building global progressive networks and leads the Center’s work on populism. He is also co-director of the Berggruen Institute Task Force on the Future of Democracy in the Digital Age.

Over the last three decades, Browne has worked closely with a host of progressive leaders, prime ministers, and presidents across the globe. He serves on the board of Policy Network in the UK, Canada 2020 in Ottawa, Volta in Italy, and Terra Nova in France.
While COVID-19 turned our nation on its head, and firmly dominated the national conversation over the past 18 months, the John Curtin Research Centre has pivoted its efforts and continues to fight the battle of ideas.

In case you missed it...
While COVID-19 turned our nation on its head, and firmly dominated the national conversation over the past 18 months, the John Curtin Research Centre has pivoted its efforts and continues to fight the battle of ideas.

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Friends like these

Under Joe Biden, Misha Zelinsky asserts, America wants to deepen relationships with its friends, but what does this mean for Australian foreign policy?

Joe Biden’s administration has made enormous changes at home. Starting with fiscal spending not seen since FDR, to a proper rollout of vaccines and getting serious on climate change; Biden has all but upended the Trump legacy, such as it was, in the first one hundred days of his presidency. However, there is one issue Biden has carried over from Trump – China. And this will have enormous implications for Australia.

Morning in America

One of the least appreciated shifts that occurred during the Trump era was the US body politic’s attitude to China. Easy to miss amongst the chaos of late-night Tweets and despicable conduct, was the clear-eyed view in Washington that the US had got it wrong on China. Gone was the optimistic, long-held view that China would first become rich and then gradually more democratic and socially liberal. Hard realism belatedly took over as the US woke up to the totalitarian dragon on its doorstep.

In a country that can’t agree on much, Democrats and Republicans are utterly united – Chinese strategic engagement is out, and strategic competition is in. In fact, had Hillary Clinton been elected in 2016 it’s quite possible that her administration would have gone even further in challenging some of Xi Jinping’s gambits around the world. Irrespective of who controls the White House, big power competition is back. For a middle power country like Australia uncomfortably wedged between the two great powers of our age, this has enormous implications.

But while Biden has maintained – and arguably hardened – the United States’ resolve to treat China as a strategic competitor there has been a return to mean in respect to foreign policy predictability. That is, the goal remains the same, but the tactics and strategy have shifted significantly none more so than in alliance management.

Trump was fixated on addressing China’s trade surplus with the US. In fact, Trump made it clear to Xi he was prepared to effectively sell out long standing allies – including Australia – if it meant cutting a more favourable trade deal as part of his ‘America First’ isolationist approach. Under Biden, the US has declared it will compete with China across the board in the traditional spaces such as economy, diplomacy and military as well as emerging areas such as biotech, information warfare, AI and space. Biden has however made it clear that unlike Trump, he will keep his friends close.

Falling out of love

Australians are not surprised that the US has awoken to the China challenge. In fact, some might ask what has taken so long. It goes without saying that Australia’s relationship with the Chinese Communist Party is not in a good state. The descent has been as quick has it has been steep. Thus, like any bad relationship the question is – who changed?

Starting with Gough Whitlam, ramping up with Hawke and flying through the Howard, Rudd and Gillard years Australia fell in love with the possibilities of China and geared up for a prosperous and peaceful ‘Asian Century’. For a long time, it looked like Australia could have its cake and eat it too – as John Howard put it ‘not having to choose’ – when it came to its defence alliance with the US and its booming trading relationship with China.

Since the middle of last decade, Australia’s stance has started to shift. Discomfit with the Chinese Communist Party increasingly worrisome behaviour in our region and indeed within our own country has manifested into a series of discrete policy shifts designed to protect our security and sovereignty. As China has increasingly revealed itself as a domestic totalitarian state with global ambitions, Australia has responded with policies designed to secure and safeguard itself from the reach of that ambition. Each of those shifts has increasingly displeased the CCP and meant a gradual erosion in the bilateral relationship. This has culminated in billions of dollars of CCP trade sanctions on key Australian exports and the formal ending of the Strategic Dialogue – a signature Gillard Government achievement. Australia is being punished for its choices. So how did we get here?

Firstly, Australia seeks no quarrel with China. In fact, Australia amongst all western nations was perhaps most forward leaning in seeking to engage with China. We saw the benefits of a rising China and hoped it would become more like us as we welcomed them into the world. Partly because of its virtue and partly because the alternative is so unthinkable, the ‘peaceful rise’ doctrine was so widely and tightly held that Australian policy makers continued to believe in it even as the evidence mounted against it.

The stone-cold truth is that China, under Xi Jinping, has changed – just not in the way we hoped – and with it has Australia’s attitude and policy settings. The choice we were told we could avoid has been made for us. It is perhaps the closeness of our relationship that has given us the wake-up call faster than other nations. We’ve seen the very real changes from Xi Jinping as he pursues his ‘China Dream’ – a revisionist world view that places China and its omnipotent
and omnipresent Chinese Communist Party at the centre of the world’s affairs with all other nations acquiescent to the regime’s benevolence. Or else.

Given many of these problems have arisen under the terms of the Abbott, Turnbull and Morrison Governments, it makes political sense to sheet blame to the Liberals for ‘ mishandling’ a critical bilateral relationship or getting the tone wrong on their watch. While tone is absolutely critical in foreign policy, unfortunately this view is both factually wrong and, in the long run, counterproductive to Labor’s prospects of winning government.

Firstly, Abbott doubled down on the status quo ‘Howard formula’ by pursuing the China free trade agreement, overseeing the sale of the Darwin Port all while trying to buy submarines from China’s historic rival, Japan. Abbott was PM for Xi’s historic address to both houses of the Australian Parliament, even lauding Xi’s alleged commitment that China “would be fully democratic by 2050.” Turnbull – a China booster before getting the top job – began making some of the harder calls as the facts became clear while Morrison has continued the course charted during that time with bipartisan support from Labor. This has culminated in the famous ‘14 grievances’ tabled by the CCP as it sought to blame Australia for the collapse in bilateral relations.

Assessing China’s list of issues with Australia should give pause to those who think there’s a way to return to the cosy old Howard formula. The list of grievances includes Australia’s enacting of foreign interference laws, the banning Huawei from the 5G network, government funding for “anti-China” research at the Australian Strategic Policy Institute, raids on Chinese journalists and academic visa cancellations, “spearheading a crusade” in multilateral forums on China’s affairs in Taiwan, Hong Kong and Xinjiang, criticism from Australia’s free press, calling for an independent investigation into the origins of COVID-19, and blocking Chinese foreign investment deals across infrastructure, agriculture and other strategic sectors.

Those who somehow believe the challenge in the relationship is ‘tonal’ must answer – what would you give up from that list? Furthermore, are we to honestly believe that if we more politely put forward our case for the banning of Huawei or instituting strong foreign interference laws that all would be apples? Australians expect their politicians to be honest with them about these challenges. Public polling shows Aussies to well ahead of the political class when it comes to assessing the risks posed by an assertive CCP – they want a rational, clear eyed debate about how we handle this global challenge. As national security comes roaring back into the political arena as a ‘ready for governing’ test, Labor ignores their concerns at its peril.

Strength in numbers

For a nation heavily dependent on alliances, globally agreed rules and highly advanced defence capability – and the United States underwriting of all three – America’s return to the geopolitical field as multilateral player is extremely welcome for Australia. But that doesn’t mean the path ahead will be easy. The days of smooth sailing in foreign policy are regrettably gone. The choices ahead are sharp. Whether deliberate or negligent, Trump’s behaviour had the US on track to destroy one of America’s principal and unique advantages – its global system of alliances. These alliances have been built up over several generations since World War Two and paid for in both US blood and treasure. While they’re a US asset, they’re core to the interests of nations like Australia.

Via its China strategy, Biden’s America is resuscitating an idea that is as time tested for nations and workers – there is strength and protection in numbers. This strategy is good for smaller nations that cannot function in a ‘might is right’ world and also for the US superpower who rightly worries about squaring off with China one on one. China fears this system of American friends and allies almost above all else. Maybe one day China can hope to knock Uncle Sam off the perch as top dog (analysts differ here) – but the CCP absolutely knows it can’t take on everyone at once.

So, while Trump’s instincts told him China was a threat to America, his worse instincts lead him to pursue that challenge in a counterproductive way. Through his own brand of mano-ama-man political machismo he set aside America’s global role as team captain, in favour of bilateral negotiations. Trump’s approach ironically played right into the hands of Xi Jinping, whose CCP has long preferred to pick off nations one on one in unfair fights. As CCP representatives repeatedly point out – ‘China is a big country and other countries are small countries; and that’s a fact.’

In pursuing its alliance strategy, Joe Biden’s team would rightly have expected that there would be a lot of lost ground to make up over what felt like a very long four years. But what’s stark is that despite the blundering, boorish behaviour of the Trump Whitehouse, the world did not leap into the waiting arms of Xi Jinping’s China.

The CCP saw a US weakened by the GFC, fatigued by decades of war in the Middle East, tearing itself apart under Trump and retreating from global leadership as a superpower in terminal decline and wrongly believed its time had come. Xi decided to drop Deng Xiaoping’s dictum of ‘hide your strength, bide your time’ and start playing hardball with those around it. With the US out of the game, the CCP would be free to project its own values onto the world as nations submitted to the inevitable, one by one.

The CCP badly miscalculated. Despite a free shot at global leadership during the Trump era, its devolving to so-called ‘Wolf Warrior’ diplomacy has left it with almost no allies and a couple of rogue client states like North Korea. The strategy has even sent fervent US critics running back to Uncle Sam’s protection.

As Turnbull said in a recent interview on my ‘Diplomates’ podcast, “China is defeating China”. Nations fearful of CCP ideology and bullying practically begged the US to get its head back in the game of geopolitics. Biden’s election was celebrated far beyond the shores of the US.
The choices ahead

CCP representatives warn us that “if China is treated an enemy, it will become an enemy.” This is undoubtedly true. China is not our enemy and we do not seek it to be. Australia and its allies should be extremely careful about following some fatalistic view that conflict with a CCP ruled China is inevitable. It is not, nor is it desirable. Fatalism as much as anything else drew the world into the horrors of World War One and we should do everything to actively avoid that destructive outcome.

Words do matter in foreign policy, and any loose talk of ‘drums of war’ is dangerous and – to be clear – is biting off far more than Australia can chew. As a middle power our job can shape but not determine the final outcome of major events. But the CCP would be wise to reflect on why the world is suddenly so worried about it. The Chinese proverb that ‘a good neighbour is a priceless treasure’ is instructive. None of us want to be here. There is still time to course correct.

Given we now know that Communist China under Xi will not become more like the free and democratic world but will instead seek to make the world more like itself, there are some serious questions we must ask ourselves and answer honestly. Are we comfortable with a world run and shaped by CCP totalitarian ideology? Are there human rights abuses we are prepared to ignore in the name of good relations? At what point and to what extent are we prepared to suffer economic pain to stand up for our values or principles? Who agrees with our world view and who doesn’t?

“Ignoring these questions does not make them go away any more than disliking some of the answers they invoke.”

In the absence of a shift in policy from Xi and the CPP, there is regrettably no way back to ‘no choice’ Howardism. We should never stop encouraging this shift, but we must operate and prepare in the reality it is unlikely.

Given these challenges, Labor must adopt policy principles that are adaptive to the fast-moving environment while providing strong ideological guideposts that make our direction methodical and predictable.

1. No bullshit – Labor must be honest, direct and calm about the behaviour we are seeing, the policy choices ahead and the risks posed. We mustn’t be alarmist or provocative, but Aussies are already onto it and using weasel words or skirting around the issues will be rightly punished.

2. No surprises and reciprocity – Likewise, we should be clear with the CCP what the rules of engagement are and where our red lines exist. There should be no surprises when decisions get made in Australia that would never be considered in China. For example, it is hard to imagine China allowing Americans to build their 5G network.

3. No politics – We should avoid domestic politicking or point scoring but lean into policy areas that are overlooked or under done by the Morrison Government. Sovereign capability is a glaring area of national weakness exposed by the pandemic that Labor could punch holes in. Rebuilding our industrial capability is an economic narrative of hope Australians in all parts of the country could get around. Hugging more tightly and making more use of our amazing Chinese-Australian diaspora is another.

4. Find areas of collaboration with China – We need to keep working with China and where possible reward and further encourage its constructive global leadership. Climate change is an obvious area where interests align while joint humanitarian aid efforts should be actively sought.

5. Don’t get out ahead of our skis – Australia has bravely led the way on some big calls on China policy, but there is value in coordination. Maurise Payne announcing Australia’s call for an investigation into COVID-19 origins on the ABC’s Insiders program is one example of an unnecessary leading with the chin on delivery rather than substance. Stirring up emotions won’t get us anywhere good.

6. Touch one touch all – Unionists around the world know the power of the ‘touch one touch all’ maxim and the power of unity. Working closely with our democratic friends is critical to building pressure on the CCP and will also make it harder for the regime to single out nations for retaliation in the manner Australia is experiencing. The CCP will try to assert such behaviour encirclement or criticism as racist, which is why a deepening of ties with India, Japan, South Korea and Indonesia is so critical. In foreign policy you should choose your values and then choose your friends – Asian and Indo-Pacific democracies should become our best friends.

“No generation seeks the challenges that land on its doorstep. Navigating these successfully will take nothing less than Labor’s very best.”

Misha Zelinsky is Assistant National Secretary of the Australian Workers’ Union.
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It is often said, if you want peace prepare for war. But how prepared for war is Australia? And if we are not prepared, why are some in the Morrison Government talking about war? And what are we doing to avoid such a dire possibility?

Defending Australia

Brendan O’Connor writes on the challenges and opportunities of defending Australia.

War is both unpredictable and catastrophic and should only ever be a decision of last resort. Therefore, we should not sit on our hands when we see a government only too willing to politicise national security matters for domestic electoral purposes. This elevated rhetoric does not serve the national interest but rather strengthens the hand of those who would like Australians only to see an inevitable choice between war and capitulation. It also ignores the fact that what is required at this time is strategic thinking to avoid war, as even acknowledged by the government’s own ‘2020 Defence Strategic Update’. Provocative rhetoric also conveniently diverts attention from the government’s failure to effectively manage our very large defence asset contracts, which have seen huge blow outs on timelines and expenditure. Actions must match words and we know there is a yawning gap in the government’s talk and action on defence. While their language is inflammatory, they are seriously deficient when it comes to delivery of major projects.

At the same time as talking up the threat of conflict, the Morrison Government is cutting funding for defence equipment. Labor is committed to a bipartisan approach on defence and other national security matters, but as Shadow Foreign Affairs Minister Penny Wong said recently, Prime Minister Scott Morrison’s political opportunism on foreign policy is as unprecedented in Australian history as some of the foreign policy challenges themselves.

After a revolving door of Defence Ministers under this current government – six in eight years – Labor has significant concerns about the way major contracts have been managed and the effect on our defence capability both now and in the future. We know there are significant challenges facing the contemporary world. The Covid-19 pandemic, climate change, global shifts in competitive power relationships, terrorism, cyber-attacks, growing economic inequality are all threats to our national security. These can only be effectively addressed through international co-operation and by developing our sovereign capabilities.

Australia has a strong and effective Defence Force, made up of professional men and women of the highest calibre. It is, however, up to the government of the day to provide the political impetus to drive the policy focus of our nation; to ensure initiatives are delivered on time and on budget; and to ensure that our troops have the best kit to keep both them and all Australians safe. For all the Coalition’s boasting about defence investment, their many Defence Ministers have each failed to do their jobs properly and have left multi-billion-dollar defence projects to stagnate. We have a Prime Minister that likes to literally walk a red carpet in front of the troops for the cameras, but these announcements are chronically followed by issues with delivery. In some cases, projects are stalled, and the government uses this as an opportunity to re-announce.

For example, in the lead up to this year’s Commonwealth Budget, the Government made much fanfare of committing $750 million to increase our defence capabilities in Australia’s North. Not only was this a re-announcement of a 2019 tender, but an extension of the Gillard Labor Government’s work on the United States Force Posture Initiative in our north alongside our US partners. It is only now that we are seeing proper resourcing of the United States Force Posture Initiatives after years of neglect. It was only recently that we saw progress after it effectively stalled and promised infrastructure lay un-built. This is just one of many examples of projects announced by the government with great fanfare but stalled on delivery.

Another example is the Future Submarines project – the largest procurement in Australia’s history with a current estimated cost of $89 billion and rising. It has had major announcements timed for political reason, not capability ones, as contracts are usually signed around elections. Before the 2013 election Tony Abbott promised to build the Future Submarines in Adelaide. Nearly eight years later there is still uncertainty about which country they will be built in.

Prior to the 2016 election, former Defence Minister Christopher Pyne claimed 90 per cent of the Future Submarines would be made in Australia. They then rushed to sign a contract before the election, but it failed to include Australian Industry Content and had to be renegotiated, resulting in a 60 per cent Australian Industry Content spend, and even this commitment is not assured. Staff on the project have now reportedly been told they are now subject to a “political timeline” of having issues resolved by September this year for a contract to be signed – coinciding with the lead up to the next federal election.

The Future Submarines project is now ten years late and $40 billion over budget. The government has had to renegotiate the contract because they failed our Australian defence industry by not securing sufficient local content requirements. We’ve yet to see the supposed revised terms. The Morrison Government should have had a proper tender process and ensured the contract had enforceable local industry content from the start, but instead rushed for a headline with no plan to follow through.

Valuable time has now been lost with our submarine program. It was Labor that stated in our 2009 and 2013 white papers that Australia needs twelve submarines. To ensure these submarines are delivered, there are now reports claiming that they may need to be built in France, in flagrant contradiction of the Morrison Government’s promised Australian industry content.
This stands in stark contrast to Anthony Albanese’s announcement last year that Labor will have transparent, publicly audited, mandatory local requirements on all defence projects.

Labor would ensure all the Future Submarines are built in Australia, secure Australian jobs, and ensure local businesses will have greater opportunities to be part of the supply chain. That is because Labor believes Australia can build things here, unlike the government and the previous Defence Minister David Johnston who infamously said we couldn’t “build a canoe”. We also believe our troops deserve proper resources with the equipment they need to do their job, when they need it. Labor has always been committed to resourcing our defence force appropriately, with a focus on not just providing the funds defence need but also managing procurements for the long-term ensuring they are fit for purpose.

Even though Labor dealt with tight financial circumstances caused by the Global Financial Crisis we were very careful to ensure key areas were protected. One of those key areas was our troops in Afghanistan and ensuring those on the ground had what they needed.

We also inherited Collins Class submarines in very difficult maintenance and sustainment circumstances but worked very hard with UK maintenance experts to solve this problem and the fleet now regularly has three or four submarines in the water. Part of this work also involved Life of Type Extension of the Collins, to ensure no capability gap before the Future Submarines are in the water. In December 2012, Labor announced the completion of a study showing the life of the Collins Class could be extended beyond 2024. It found that the service life could be extended by one operating cycle for the fleet. An FOI request revealed that within months of forming Government in 2013, the then Defence Minister received advice that she should be considering exactly what is proposed in today’s media reports. Eight years later, the Government, having chosen to ignore this advice still has not made any decision.

In the interest of our national security, and for the safety of our Defence personnel, the Minister needs to stop the delay and make a decision on how many Collins Class submarines will be extended, when they will be extended, where this work will be done and disclose the cost to the taxpayer.

The Morrison Government is also still yet to announce its plans for Full Cycle Docking, a vital program for the Collins Class that will have serious implications for any parallel Life of Type Extensions, despite promising to announce the location by the end of 2019. It was through Labor’s work in Government that our defence accumulated a vast amount of knowledge, intellectual property and experience with the Collins Class submarines. This was done with a view to an evolving Collins Class being an option for the Future Submarine. The current government, however, chose to exclude this as an option and now instead we have the more challenging French option.

Labor in government was also highly effective at enhancing Air Force capability, including with Super Hornets and Growler to ensure no capability gap existed between Hornets and Joint Strike Fighters. Without this we would have had limited ability to contribute to aerial interdiction over Syria with ISIS in 2014/5. The Government has also miscalculated the Hunter Class frigates program, which is facing delays and capability problems. There have been concerns reported that requested changes to the frigates have made them “too fat to fight”. The cost of these frigates has also blown out from $30 billion to $45 billion. Despite these cost blow outs on submarines and frigates, alone more than $50 billion, the Morrison Government’s latest Budget is forecasting $4.3 billion in cuts to Defence’s capital acquisition budget over the next three years. This brings the total cuts to this budget since the release of the 2016 Defence White Paper to $10.4 billion.

The Prime Minister is happy to boast about his commitment to defence, but the reality is his Government has been cutting billions from Defence’s capital budget. In stark contrast, Labor is committed to having a strong sovereign defence industry, which not only improves our capability and resilience, it offers economic benefits for our country.

Over the last 15 months there have been many things that the COVID-19 pandemic has taught us. It has exposed our flaws and highlighted our strengths. It has shown us that Australia needs to become not only more self-reliant, but also more ambitious to protect and promote our interests in the world. As an island nation, it is important that Australian defence manufacturing becomes more self-sufficient. The Government is promising to spend $270 billion over ten years on defence procurement and we need to maximise the local component of that spend. We want to see an Australian defence industry that is building our own sovereign capabilities with the capacity to not only deliver the best for the Australian Defence Force, but also exporting Australian products, especially to the region.

Defence has a series of long-term projects, such as our Future Submarine program, that demands long-term thinking with workforce skills and training. We require a significant workforce not just in the skilled trades but with advanced technical knowhow and capability. Labor will provide bipartisan support to ensure Australia has robust defence resilience, however, when the Government fails to offer the promised local content, fail to prepare our workforce for the future or fail to deliver projects on time or on budget, we will hold them to account.

It is undisputed that the first job of national leaders is the safety of their citizens. Beating the drums of war with China, or any other country, does not make us safe. Labor’s plan is to build on the foreign policy and defence traditions that have underpinned Australia’s relations with our allies, our region, and the world to foster democracy and maintain peace. We will ensure our defence forces, security agencies, police and emergency services are resourced with the necessary equipment and powers to defend Australia’s sovereignty.

Labor will ensure our national security laws meet the changing threats we face as a nation and are consistent with our long-standing values. We will equip our armed forces with the personnel, skills, technology, tools, and other resources they need with a focus on local content in Australia’s defence procurement. All this will not only enable us to address these threats, but it will secure decent, long-term jobs. Labor innately understands that this is the right thing to do not just for defence and our sovereign capability, but the security and safety of our nation.

Brendan O’Connor is federal Labor’s Shadow Minister for Defence and the Member for Gorton.
The standard you walk past
Kimberley Kitching makes the case for Australia acting on Uyghur persecution.

In March this year, the Chinese Government endorsed a lawsuit brought by local companies against German Anthropologist, Adrian Zenz. Filed in a domestic court in the north-western Xinjiang region, the suit seeks an apology and financial compensation in response to research it says has damaged the reputation of local industry, and which eventually led to a United States ban on the import of Xinjiang cotton.

Zenz, a distinguished China scholar, has meticulously scoured and translated official government documents and local news reports to help uncover the region’s wide-ranging forced labour scheme and bring to light the full extent of Xinjiang’s network of internment camps. His widely published research, some of which has been sponsored by the Inter-Parliamentary Alliance on China, where I serve as the Australian co-chair, has been influential in raising public awareness about the ongoing repression of Uyghurs and other Turkic Muslim minorities.

As is often the case with the Chinese Communist Party’s ham-fisted response to criticism levelled its way, this legal action is unlikely to have any effect other than to publicise Zenz’s research and bring further attention to the grave and ongoing human rights situation in Xinjiang. It is hard to see that this has been done for anything other than domestic posturing. While it is believed – to be the first such attempt to sanction a foreign researcher using civil courts in Mainland China, it is likely unenforceable unless Zenz decides to enter the country. However, this case does follow a continuing trend of ‘lawfare’ – a process that leverages legal systems to pursue China’s sovereign interests, notably through international institutions.

The official reaction to Zenz’s research, as can be seen in the belligerent reporting of Party tabloid The Global Times, shows he has ruffled feathers among those who don’t appreciate having a light shined on their nefarious activities. Zenz is one of a number of researchers working in this space who have helped to better inform the public on what is going on behind the highly secretive veil of Chinese state power. Locally, the Australian Strategic Policy Institute (ASPI) has conducted equally important work. Through The Xinjiang Data Project, ASPI hosts a plethora of important information, including the seminal report: Uyghurs for Sale – a study that investigates the transfer of Uyghur forced labour to factories throughout China since 2017. The report details how the supply chain of 82 internationally recognised brands have been implicated. One of the authors of the report, Vicky Xu, to this day receives threats and intimidation, often of a gendered nature, from CCP-backed trolls.

ASPI has also employed innovative techniques in their research. By comparing historical satellite imagery, they have been able to estimate that approximately 65% of Xinjiang’s mosques – more than 16,000 in total – have been destroyed or desecrated since 2017 as a result of Chinese Government policy. More recently, Human Rights Watch and Stanford Law School’s International Human Rights and Conflict and Resolution Clinic released a joint report titled Break Their Lineage, Break Their Roots. In it, they determine that Chinese Government actions toward Uyghurs and other Turkic Muslims in Xinjiang constitute crimes against humanity. They also argue that a coordinated international response is needed, which should include the direct sanctioning of those responsible.

The sheer weight of evidence that has been steadily coming out of Xinjiang for the past few years leaves no room for doubt as to the ongoing absconcity being committed by government officials. It is estimated that up to 1.8 million Uyghurs and other minorities have been incarcerated since 2017. These human rights abuses are characterised by horrific crimes including modern slavery, mass surveillance, systematic rape, abductions, indoctrination, forced sterilisations, torture and what jurisdictions and governments around the world are beginning to determine constitutes a ‘genocide’. The only question that now seems to be unresolved is what else we don’t know.

The brutal persecution of ethnic and religious minorities in Xinjiang is a burden borne most heavily by Uyghur women. A recent BBC report documented some of the most unspeakable crimes imaginable. Former prisoners talk of being raped by “mask men” who would pay for their pick of the “prettiest young inmates” – many were forced to assist guards with this or face punishment themselves, the recounted being violated with an “electrified stick”, and of women being disappeared — taken out of their cells at night and never returned. Sexual violence as a form of punishment is a heinous crime that has been used as a weapon of war for thousands of years. That we have credible evidence it is happening today, sanctioned by authorities, requires the international community to act.

Despite this, there are still those who propagate the idea that the repression experienced by Uyghurs has been fabricated or overblown. Alternate ‘research’ that “debunks” the mainstream narrative is predictably pushed by China’s “wolf warrior” diplomats keen to impress their political masters back home. But more perversely, this deceit is being given legitimacy by some academics and fringe political movements both here and abroad. The disinformation they present is absurd and deserves nothing more than to be treated as such.

The catalyst for the current repression in Xinjiang flows from a crackdown that began in 2014 after a series of terror attacks by Uyghur separatists. According to The Xinjiang Papers — a trove of internal documents published by the New York Times, President Xi Jinping called for “absolutely no mercy” in response to the unrest. As is true in all authoritarian regimes, their own survival, no matter the cost, is the most important priority. From cultural erasure in Tibet, to forced organ harvesting of imprisoned Falun Gong practitioners, as well as the murder of thousands of students during democracy demonstrations in Tiananmen Square in 1989, we have seen the lengths that Beijing will go to crush dissent and any hint of resistance to Party supremacy.
Yet this issue is not confined within China’s borders. Everyone in the Uyghur diaspora has a relative or loved one affected by these atrocities. Australia has a large Uyghur community residing in South Australia. I recently met with group visiting Canberra. The sister of one of the delegation members, Mahira Yakub, had previously been spent time in a “vocational training” facility in Xinjiang. She is now awaiting trial in a detention centre for “giving material support to terrorist activity”. Her only crime was to send money to her parents in Adelaide, some of which was from the sale of land in China. She has no access to her family or her lawyer. While Amnesty International is advocating on her behalf, the Department of Foreign Affairs and Trade has told Mahira’s family there are limits to the assistance they are able to provide to non-Australian citizens. Gulbahar Haitiwaji, an author living in France, had been outside Xinjiang for ten years, when in 2016 she was persuaded to return to China by a former employer. They contacted her to explain that she had to present in person to finalise issues relation to her pension. What was meant to be a two-week trip turned into three years of hell. She was subjected to a sham trial, forced confessions, ‘re-education’ and house arrest before being released after her family went public with her case through the French media and Foreign Ministry officials also became involved.

The Australian Parliament’s Senate Foreign Affairs, Defence and Trade Committee, which I co-chair, has recently undertaken an inquiry into a bill to prohibit the importation of goods from China produced using forced labour. While it is unclear whether such a bill will be introduced, it is likely the Parliament will seek to have the threshold for annual revenue of $100 million lowered for entities operating in Australia in reporting annually on exposure to modern slavery in their supply chains. If this amendment does proceed, it is important that it is enforceable and does not just become a box ticking exercise for company accountants and lawyers.

While some may argue that there are limits to what Australia can do beyond ensuring the local Uyghur community does not face threat or intimidation, I do not accept this is the case. We could, and should, with other concerned nations consider calling for the United Nations to create a special rapporteur on Xinjiang tasked with providing periodical assessments on the human rights situation in the region. While it is highly unlikely the Chinese authorities would allow them access, they could still present reports based on the best information available. This would go a long way to repairing some damage caused by the silence and politicisation of the body in the past. If Australia is to implement targeted sanctions through Magnisky-style legislation – for which I have long advocated – these reports could also feed into a process of building sanctions lists.

The Australian Government should also consider allowing a conscience vote in Parliament on the question of whether the activities against Uyghur and other minority communities are in contravention of the principles outlined in Article II of the United Nations Convention on the Prevention and Punishment of the Crime of Genocide (1948). This would not constitute merely empty words. It would align us with other concerned members of the international community and like-minded jurisdictions who have allowed this in their parliaments. Understandably, those in the Executive whose responsibilities require a foreign policy objective, could abstain.

When human rights are destroyed in one part of the world, they invariably affect the rights of people elsewhere. If we accept the truism that the standard you walk past is the standard you accept, then we cannot accept what is happening in Xinjiang today. We must speak up and we must act, because condemning the atrocities is not enough. So long as governments fail to take meaningful action to hold those responsible to account, these atrocities will continue, and we only need to look to history to see where this ends.

Kimberley Kitching is a Labor Senator for Victoria. She serves as the Deputy Manager of Opposition Business in the Senate and Shadow Assistant Minister for Government Services and the NDIS. She is Chair of Foreign Affairs, Defence and Trade References Committee and Deputy Chair of Foreign Affairs, Defence and Trade Legislation Committee. She is also the Australian Co-Chair of the Inter-Parliamentary Alliance on China.
Once were warriors
Australia’s relationship with China requires nuanced thinking, insists Andrew Porter.

What does the phrase “Cold War mentality” mean to you? What can it mean, other than an emotive, if not outright pejorative harking back to a multipolar, Eurocentric, pre-Fukuyama time, when democracies were democracies, Thatcher was union-busting, Lech Walesa was singing Solidarnosc forever, Helmut Kohl was Helmut Kohl – and more than a little preoccupied with Soviet tanks breaching the Fulda Gap? The Chinese Ministry of Foreign Affairs has doubled down on its use of this nostalgic nomenclature, Cold War mentality, in recent months. Primarily deployed against Trump Twitter trade tirades in regular TV briefings in Beijing, it’s now all the rage to “call on the Australian side” to stop emoting like it’s June 4, 1989.

What are we to make of our number one trading partner – one growing more mercantilist than Maoist as each day passes – seeking to rope in our neighbours and less developed countries throughout the region and the world with mountains of debt, much less our own state governments? Could any mentality be more redolent of the Cold War, more neo-imperialist, than that? One of the more recent examples of this of course has been a mooted move by a Chinese state-owned company to finance a fish processing and export facility in a part of our nearest neighbour, Papua New Guinea, not proximate to commercial fishing grounds, but very much proximate to our maritime border. Given China’s desire to present as the very model of a modern market economy, absent a commitment to openness and unfettered foreign investment, perhaps an Australian government-owned firm might establish a distillery on China’s Bhutanese frontier?

A factory on China’s border with Vietnam? A university [perhaps named after an Australian PM] in Russia’s Far East? A shipyard in South Korea? A tea plantation in India’s Sikkim or Arunachal Pradesh? Or maybe our government entity might seek to take up non-commercial stake in a major Chinese port, astride defence facilities it uses for training with its allies? Sorry. That’s just my non-commercial stake in a major Chinese port, astride defence facilities it uses for training with its allies? Sorry. That’s just my Cold War mentality showing.

What do these nations have in common, beyond sharing a border with our number one trading partner? They’ve all experienced a very real, tangible aspect of a Cold War mentality – they’ve all been the subject of border incursions, skirmishes, or broader conflicts with China from the Korean War onwards. It’s hardly surprising, then, that they’ve sought better and deeper relationships with other partners in their region, and further afield. Major ideological conflicts, and much less abstracted ones, tend to sharpen the focus on who and what is important to you. Writing in The Age just three short weeks after the cowardly attack on Pearl Harbour, our nation’s pre-eminent wartime leader, John Curtin, expounded a then radical, now bedrock component of our self-styled identity as an Indo-Pacific democracy, albeit one substantially left to its own devices by the mother country: “without inhibitions of any kind, I make it quite clear that Australia looks to America, free of any pangs as to our traditional links or kinship with the United Kingdom”. At this point in the War, Britain’s focus shifted inward, while Washington’s focus via Honolulu was very much in our region, with varying degrees of focus and presence since. Successive Labor Prime Ministers, with limited exceptions, more outwardly invested in the trends and mores of our region than their conservative counterparts, have since built on Curtin’s early realism in seeking what Paul Keating termed “security in Asia, not from Asia”. Anyone of sound mind would hope conflict in the region isn’t imminent, yet a need to build deeper, stronger ties within our region is clearly an idea whose time has come yet again.

Security in Asia, not from Asia, meant improved bilateral and multilateral ties, trade and people-to-people links in Keating’s day, binding us ever closer to our region and helping foster greater economic cooperation, particularly with an Indonesia returning to democracy. It isn’t the case by any means that Australia has failed to stay Keating’s course here – far from it – it’s more that, almost without exception, business, government and the academe alike have followed export and investment booms and built relationships to support or extend them, rather than seeking to build diversified markets and closer ties throughout our region. Both iterations of the Menzies government, one rather more than the other and its successors besides, understandably capitalised on booming demand for resources in Japan. South Korea, too, has long had a voracious appetite for Australia’s resources. However, it is China’s outsized demand for mineral resources, education, yield and a safe harbour for capital, and agricultural exports that, like the structural changes of the Hawke and Keating Labor governments, have encouraged complacency, if not an unhealthy dependency on the part of more recent governments.

What does security in Asia, not from Asia, look like today? And how does it sit with our principal alliance with our friend across the Pacific, with an increasing appreciation of our part of the world as the Indo-Pacific? It has perhaps taken the onset of the Covid-19 global pandemic for mainstream contemporary Australian decision-makers to more publicly grapple with these questions relegated to the too hard basket in years past. Much of the focus on these questions has been anything but constructive.

One side of politics has sought to blame China for the coronavirus by way of distraction from its non-delivery of an effective vaccine program and indifference to a national approach to quarantine, while others have quixotically blamed our government for Beijing’s bellicosity, as though merely being more compliant, in the much vaunted style of New Zealand, might lead to better foreign policy outcomes. Sadly, the Ardern Government’s approach to China is perhaps the purest example of the very real dangers of the Chinese side’s Cold War mentality – Wellington’s modern day Finlandisation, self-censorship or deference to a loud and powerful neighbour in
the region for fear of reprisals, as opposed to overdoing a trip to lita or Marimekko. Ask officials in Hanoi or Manila how past inaction in the face of repeated trade and territorial violations has profited them. Australia can’t afford to subscribe to the Kiwi iteration of the Dusty Springfield school of IR thought.

At another extreme, we’ve had a senior bureaucrat describe “drums of war beating” – a term best left to ABBA’s Fernando. Anyone talking up the prospect of conflict with our main trading partner, much less a country some fifty times larger than us, needs their head read. Our recent discourse seems stuck at the present time with a polarity that leaves a fair bit to be desired, and as replete with nuance as claiming the South China Sea your own because it’s got the word China in it. While we’re here: is Perth to be thought part of Tamil Nadu because it’s in the Indian Ocean? In a post-Plantagenet world, can anyone say Calais is English by dint of the channel’s name? Sorry. That’s just my medieval mentality showing.

So, we know what not to do. No kowtowing in the style of the Kiwi. No wishing and hoping that simply being nicer in the face of trade spats will earn us the respect of our Chinese interlocutors. No talking up conflict. Accordingly, what should our focus be in the near term, beyond hoping for status quo ante? In simple terms, many of the problems we face in our relationship with China stem from close to a generation of our complacency first on China as the predominant source of export growth, then export earnings in the abstract; the Chinese Government knows this, and in applying the pressure it has on Australia this past year, has sought to test the resolve of Australian decision-makers, hoping they will buckle to the pressure and in doing so, sending a message to Tokyo, Seoul, Taipei and elsewhere.

To a large extent, this pressure from Beijing has been withstood owing to buoyant iron ore prices and their accompanying royalties, fuelled by demand in a China rebounding well following the recovery from Covid-19. Commodity prices are cyclical by their nature, though, so this too shall pass. What, then, should Australia do to de-risk its exposure to China at the same time as building closer ties with those singled out for similar treatment by Beijing?

For many reasons, rooted in our nuclear non-proliferation politics and their non-aligned, if Soviet-leaning tendencies, our critically important relationship with India has long been underdone. A democracy not without its challenges, with a population on track to well overtake China as the predominant source of export growth, and now more cogently, the Biden administration, has been providing. Other countries need this kind of sustained, positive support. South Korea is a prime example, a middle power close to the United States, geographically and economically closer to China, and targeted by China well before Australia.

The politics in South Korea of edging closer to a Quad involving Japan [like pre-reunification Germany, it has its own version of an Ostpolitik tendency towards China’s client state in North Korea] much less a greater sensitivity to wolf warrior lines denouncing regional frameworks [what are China’s Belt & Road and Shanghai Cooperation Organisation if not the same] as warlike, is necessarily more complex than our own.

A South Korea we train more with, trade more with, operate alongside with – noting we again have a chance to buy a key weapons system from a regional partner presently under consideration by Defence, rather than from a European partner – and support precisely because of our shared values, shared outlook, shared interests, and shared experience is a South Korea that may be more inclined to reach out and support countries like ourselves facing similar treatment from China.

Seeking to bring South Korea into a Quad + 1 tent isn’t necessarily the objective of itself. That happens, or it doesn’t. It’s working with our allies, partners and like-minded countries while we’re in a position to support those facing similar treatment from Beijing – building security in our region, not from our region – that will help us and others besides chart a course out of shared complacency and lazy dependency on China. Call it a quad + 1 mentality?

Andrew Porter is a former advisor to three federal Labor leaders.

So what?

Good question. What Australia – a country that, so far at least, is managing to weather a storm of economic coercion and an attempt to cleave it from its allies and partners – might do in the face of increasing pressure from the emerging regional power is focus its efforts on supporting countries who have been similarly targeted and will continue to be targeted. We need support from our friends, something that first the Trump administration, and now more cogently, the Biden administration, has been providing. Other countries need this kind of sustained, positive support. South Korea is a prime example, a middle power close to the United States, geographically and economically closer to China, and targeted by China well before Australia.
Myanmar matters

The coup represents a failure of Australian foreign policy, writes Luke Gosling.

The February coup in Myanmar surprised me, but it wasn’t a total shock. I’d come to the conclusion some time ago that the role of the military had to change if there was any way to avoid this situation occurring, and that Australia had a role to play in that. What was a shock and disappointment to me was the ongoing failure of the Morrison Government to do anything meaningful on this issue. What happens in Myanmar is of direct importance to Australia, but once again the Prime Minister has failed to tackle an urgent matter of the national interest.

The situation in Myanmar is utterly deplorable. We have seen the country’s transition to democracy interrupted, and the hopes of a people crushed under the boot of dictatorship. The coup brought to an end a nascent democracy in which the world had invested so much hope.

The people have responded with a coordinated campaign of targeted civil disobedience. But the Tatmadaw, the military of Myanmar, has responded with deadly force. The deaths of citizens protesting the coup reminds us of the determination of the people to control their own destiny. More than 700 protestors have been killed. Thousands have been detained. Long running internal conflict has once again erupted, bringing to boil a situation akin to civil war.

But the danger of the situation in Myanmar goes beyond this story of humanitarian crisis. Myanmar is today internationally isolated, wrecked by disorder and violence, and suffering an economic catastrophe. Despite what some may think, there is no obvious great power manipulation behind the coup. Indeed, the previous status quo, namely an imperfect power-sharing arrangement between the civil government and the Tatmadaw, was satisfactory to the international powers with an interest in Myanmar.

The danger which confronts us in Myanmar now is not that the country will gradually morph into a nation resembling Thailand or Cambodia; a relatively stable dictatorship with which we continue to maintain good relationships. No, the danger is in Myanmar failing as a state, as former US Ambassador to Myanmar Derek J. Mitchell has written in the journal Foreign Affairs: “Another Syria: a place of unrestrained destruction and irreconcilable division between a ruling clique and the broad mass of the citizenry … the leaders of the Tatmadaw may realize they are in too deep to waver from their current course, even if that means destroying the country in order to save themselves.”

The presence of a failed Syria-style state in our region would be an unacceptable challenge to Australia’s foreign policy. Unlike Syria, which is far enough away as to not present direct challenges to our foreign policy, a failed state in our region would confront us with the same challenges that confronted the United States and Europe. Making the wrong choices may result in a vacuum being directly filled by our adversaries, such as has happened in Syria. If the Morrison Government’s track record in foreign affairs is anything to go by, Australia would not make the right choices. Therefore, the object of our policy towards the present situation in Myanmar should be to prevent this from happening. Before we look at what the Government has done, it is important to understand why the coup came about in the first place.

Why a Coup and Why Now?

As I mentioned, there isn’t obvious evidence of great power interference in the lead-up to the coup. While the Tatmadaw as an institution enjoys the support of China and Russia, the coup itself served the interests of no international power. The coup had more prosaic, political domestic causes. The initiator of the coup, Min Aung Hlaing, the head of the Tatmadaw, is an ambitious man. Professor John Blaxland of the Australian National University told me that the coup was largely a result of the November 2020 parliamentary elections in Myanmar, where the National League for Democracy achieved a landslide result. This interfered with Min Aung Hlaing’s ambitions to become President of Myanmar. Blaxland, himself a former Australian defence attaché with responsibilities for Myanmar, believes that Min Aung Hlaing saw the experience of Prayut Chan-o-cha, who staged a coup and then transitioned to become Prime Minister of Thailand, as an example to emulate. Mistakenly believing that a pathway to legitimacy existed from the coup, Min Aung Hlaing acted. The widespread opposition of the people was evidently not expected. It is worth noting as well that Min Aung Hlaing seems to have acted without the support of his deputy, Soe Win, with whom he reportedly has a tense relationship.

Why this tension was not exploited in the early days of the coup by interested foreign parties is beyond me. The execution of the coup depended on the placement of key supporters of Min Aung Hlaing into critical operational commands which spearheaded the takeover. Whatever the cause, the Tatmadaw were always positioned to take democracy away, and it seems our intelligence agencies and diplomats on the ground missed the warning signs. I wonder how many Burmese linguists are working in the Australian Signals Directorate or in the Five Eyes?

What has Australia Done?

The coup certainly caught the Australian Government unawares, as it took some time for Morrison and Foreign Minister Marise Payne to respond. Once Professor Sean Turnell, the Australian economic adviser to the former government was detained, the Australian Government felt compelled to take some steps. Vice-Admiral David Johnston, Vice Chief of the Australian Defence
Force called Tatmadaw deputy leader Soe Win to complain about the coup and call for Professor Turnell’s release. Most Australians learned of the call when it was reported that state media in Myanmar reported the call, hailing it as recognition by Australia of the new post-coup status quo. The call itself was likely a good idea, and the motivations of Vice-Admiral Jonhston good, but the story was not properly controlled on the Australian end, allowing the military regime in Myanmar to score a goal against the intentions of the call.

We know what else the Government has been doing on this issue largely because of the hard work of the Foreign Affairs and Aid Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade. I particularly credit the work of my colleague Julian Hill. In evidence before two sessions of this Subcommittee, senior public servants outlined that the Foreign Minister has made over twenty phone calls to her counterparts on this issue. Australian aid has been directed towards non-government organisations providing direct support to the people of Myanmar. Australia has signed up to six national statements at the Human Rights Council, and sanctions imposed. This course of action would make more sense if Australia, with an active and interested foreign policy, was seeking to condemn a coup in Africa or Eastern Europe. That this is our reaction to a destabilising coup in our own neighbourhood is nothing short of neglectful. Even the focus of our sanctions regime against Myanmar seems like an afterthought.

After the coup, Australia imposed a suite of sanctions on Myanmar and its leaders. In March at Senate Estimates, responding to questions about the scope and execution of these sanctions, Minister Payne stated that she was considering further sanctions and that a decision would be made in a matter of weeks. As of writing, the Foreign Minister has had nothing more to say about sanctions. Under questioning by Mr Hill, officials from her Department revealed that Minister Payne was still considering further sanctions. Is this uncertainty a measure of a lack of clarity or of interest? This lack of priority to issues surrounding our engagement is not the end of the failures of this Government. Extraordinarily, the recent federal budget had $325,000 allocated to the Defence Cooperation Program (DCP) with Myanmar. This was despite the cancellation of that same program by Payne. Under questioning, Defence officials volunteered that this was an error, that there should be no funds allocated for the Myanmar DCP. What depresses me is that the government employs the same course of action in each area of policy – exploit a subject for its political currency and then neglect it until something else goes wrong, throwing spin and empty promises at situations requiring considered leadership and action.

What should Australia Do?

Myanmar matters to Australia. Our proximity also robs us of the comfort of imposing isolation on the regime and turning our attention elsewhere. The Europeans, UK and USA can do that; there will be no immediate consequences for them. However, for Australia, Myanmar is in our neighbourhood. Our national interests are best served by a free and stable Myanmar. We are, therefore, compelled to act. The question of the DCP with Myanmar is important and requires some attention. Immediately after the coup, many voices in Australia called for its immediate cancellation. I have a different view.

A few years ago, I visited Myanmar as part of a Parliamentary delegation. After my visit, I began to think about how Australia could better support the transition to democracy. The Tatmadaw still played a big role in government and held many of the political cards. It was clear to me that without meaningfully changing the complexion and attitude of the Tatmadaw and its role and military culture, Myanmar would never have the full freedom that the people were calling for.

As a former soldier, I have a strong appreciation for the role of a non-political military, and the strength such an institution gives a robust democracy. I’ve also seen other militaries work through difficult transitions. It’s not easy. After I came back from Myanmar, I called on Foreign Affairs and Defence to make sure that subjects including English language and humanitarian law were introduced into the DCP. I’m pleased to say that these were included. In general, DCPs are an important way to share values with neighbouring military forces. The DCP with Myanmar was always very small. From its inclusion in 2013, the Myanmar DCP was never expensive. The budget estimate for this DCP for 2020-2021 was $361,000. In that same period, the estimate for the DCP with Indonesia was $7.10 million, and the same with the Philippines was $9 million.

The DCP with Myanmar also focused on non-lethal and non-combat training, including aviation safety, rules of engagement, humanitarian operations, and disaster relief. With an arms embargo in place after the atrocities committed against the Rohingya, it is hard to argue that the DCP was meaningfully enhancing the capabilities of the Tatmadaw to stomp on their people. But the DCP was achieving at least two things: one, beginning to shape the minds of the future leaders of the force; and two, opening a line of communication (at some level) with the Tatmadaw leadership.

Should things return to a state of normalcy (whatever that would look like) we should reintroduce the DCP. At a regional level, ASEAN has taken an active role on seeking to end the violence and reverse the coup. Indonesian President Joko Widodo and Malaysian Prime Minister Muhyiddin Yassin have taken a leading role in seeking a solution to the crisis. Australia’s involvement in this seems to be little more than applauding these efforts from the sideline.

If the Morrison Government was serious about Australia’s security and standing, we would have immediately engaged with ASEAN after the coup occurred. Our Foreign Minister should be shuttling from regional capital to capital, building a coalition to end the coup (COVID-19 restrictions notwithstanding). If our relationship with China hadn’t been so woefully handled by this Government, we could even engage with Beijing on our common interests in restoring order in Myanmar. In particular, an engaged Australia would do what Professor Blaxland has suggested and seek to engage with Prime Minister Prayuth of Thailand and others to promote engagement with Min Aung Hlaing directly, to explain the situation in another context.

Our government is doing none of this. This is a consequence of a lack of vision for Australia and its place in the world. We cannot return to the status quo in Myanmar. Our objective is to end the coup and the killings and restore the elected government. Yet we must also seek to work with the Tatmadaw through their transition over the coming years with all the tools we have.

Front of mind

Australia’s must diversify its exports in a post-Covid-19 world, argues Madeleine King.

When the COVID-19 pandemic eventually eases and the ban on most international travel comes to an end, Australians will jump at the chance to finally re-connect with the world. Many will joyfully reunite with their friends and loved ones. Holidaymakers will again jet off to exotic foreign lands, and businesspeople will be able to re-engage with their clients and customers in the world’s major cities. That will be the fun part.

The more challenging post-pandemic task facing Australian policymakers will be to restore Australia’s integration with the global economy after its slide into relative isolationism during the pandemic. The world will emerge from Covid-19 a very different place. The pandemic has shut borders, damaged global supply chains, curbed migration, weakened the world’s multilateral institutions and led to fresh trade barriers between nations. This is bad news for an open-facing multicultural nation such as Australia, where more than two million Australians are employed in a trade-related activity. It will be crucial for our future prosperity that we lead efforts to reboot the world’s multilateral trading system that has served us so well, and to restore our place in it. Here’s what we need to do to achieve this.

Diversify our export markets

Twenty years ago, China bought about 5% of Australia’s goods exports. By 2020 that had skyrocketed to around 40%, making Australia the most dependent country on trade with China in the world. Our exports to China are equal to the exports of our next five biggest trading partners combined. Recent analysis by the Perth USAsia Centre showed that half of Australia’s top-30 export industries rely on a single dominant customer – usually China. This means Australian exports and jobs are particularly vulnerable to trade shocks – including the well-publicised sanctions imposed by China over the past twelve months.

The benefits of our trading relationship with China over many decades should be celebrated, but governments should also have been doing much more to avoid an over-reliance on any single market. It’s time Australia finally got serious about building better relationships with India and Indonesia, both of which are predicted to be among the world’s top four economies within thirty years. Vietnam is another regional market with massive potential. And we must continue to expand our already strong trading relationship with South Korea and Japan.

Trade diversification is hard and will take decades to realise, but nothing will happen unless the Commonwealth government makes it a priority. After World War Two, no export market compared to Britain, but our leaders worked tirelessly to build up our resources industry to allow exports to Japan and South Korea, and later to China.

Our exporters need a Commonwealth Government that does more than simply point to free trade agreements and hope that this leads to an increase in trade. Australia requires – and deserves – leadership that will adopt a whole-of-government approach to diversifying what we sell and who we sell to. Every Ministerial portfolio should take on the task to consider how it can contribute to ‘Project Diversification’. For instance, the Australian healthcare system has the opportunity to export its world-leading capacity in healthcare education and training, medical technology as well as digital health and systems to enable to rural and remote healthcare. All these Australian capabilities can help our neighbour, Indonesia, increase its health-care capacity and improve the health of millions across the vast Indonesian archipelago.

The advent of Australia’s superannuation system has by necessity created an advanced, successful, and domestically owned fund management sector. This is a capacity in financial services that could be a significant export industry if Australia develops the right products for the right markets. Some have suggested Japan is an ideal target, as it is a market that tends to seek longer-term investment products with reliable returns. This is a speciality of Australian superannuation fund managers! There is nothing but a lack of initiative and imagination stopping Australia’s Federal Government Ministers from helping their respective sectors think more broadly and support them in developing new export industries. It doesn’t take long to think about which Ministerial portfolios could commit to Project Diversification and seek out new export products for different markets.

As well as the two I’ve mentioned, health and financial services, there are defence industries, industry and innovation, education, training childcare, communication and infrastructure. And the existing mainstays of Australian exports – resources and agriculture – could equally participate in this national priority of genuine diversification. True diversification takes years, and it needs real commitment. But successive Coalition governments have failed to do the hard work to open new markets. The most glaring example is its decision to implement just one of the twenty priority recommendations contained in a 500-page report released in 2018 that contained a blueprint for closer economic engagement with India. The report’s author, former Department of Foreign Affairs and Trade secretary Peter Varghese, found that no single market over the next twenty years offered Australia more growth opportunities than India. And he suggested the Government adopt a target of lifting Australian investment in India almost tenfold – to reach $100 billion by 2035.

As that report has gathered dust, India’s share of Australian merchandise exports has dropped below 2%, the lowest level in almost two decades. And the Morrison government’s singling out of India – in the midst of its worst COVID crisis – by abandoning Australians and criminalising their re-entry into Australia directly undermines our relationship with this vital economic and strategic partner. We have to take the relationship with India seriously – but the Morrison government has neglected it.
Diversify what we export

Diversification will enable Australian exporters to manage geopolitical risks, expand their consumer base and support Australian jobs. It will make the Australian economy more resilient to future external shocks and supply chain disruptions. Australia’s reliance on four key exports – resources, agriculture, tourism and education – has served us well for decades, but the growth prospects of these sectors are uncertain.

A recent Harvard Growth Lab Atlas of Economic Complexity ranked Australia 393rd in the world for the “complexity” of goods and services exported, lagging Kazakhstan, Uganda and Senegal. Resources account for about half of all exports, led by iron ore, coal and natural gas. Services come second at 22%, largely made up of international education and tourism. Yet these two sectors have been almost wiped out by the pandemic and will take years to recover.

The Federal Government must foster new export industries and encourage more businesses to export their goods and services. More government investment in research and development will boost advanced manufacturing capabilities, which will move the economy up the ladder of complexity. The power of small business must be harnessed. Of the more than 2.3 million businesses operating in Australia, only 53,000 sell their goods to the world. Many small to medium enterprises (SMEs) say they do not have the confidence to consider trade opportunities and lack the capabilities to be able to expand into overseas markets. Many are hampered by a lack of information about Australia’s network of free trade agreements, the relatively high cost of complying with regulation and inadequate access to trade finance. SMEs account for only 14% of Australia’s exports, whereas in G7 countries they account for 25% and the European Union average is 35%. Lifting SME exports to 25% of Australia’s exports would increase our GDP by an estimated $36 billion, according to the Export Council of Australia.

More strategy and less politics on China

Diversifying our exports while continuing to reap the benefits of trade with China are not mutually exclusive ambitions. China will continue to be a massive market for Australian exports; those who call for economic decoupling or trade retaliation by Australia are being unrealistic or deliberately inflammatory. Trade Minister Dan Tehan said recently he plans to oversee “another golden age of trade diplomacy” with China. How he plans to achieve such a bold aim remains unclear. At the time of writing, Mr Tehan had yet to even receive a reply to a letter he sent in January to his Chinese counterpart, Wang Wentao, seeking to reopen dialogue. When Mr Tehan became Trade Minister in December last year, exporters hoped the appointment would prove to be a circuit-breaker in Australia’s trade disputes with China.

I understand the relationship with China is increasingly complex and that it must always be managed in the national interest. While the wealth generated by exports is hugely important, national security and sovereignty are paramount. But if the Federal Government wants to help our exporters, it could start by drawing on the expertise of Australian companies that have enjoyed long-term trade links with China.

With the Prime Minister and his ministers unable to even speak to anyone in Beijing, these companies are the ballast in the relationship. Business leaders have a legitimate place in this important national discussion. Yet some of those who do speak up about the need for strong relations with China often have their motives questioned, labelled as ‘China sympathisers’ or somehow disloyal to Australia. It’s a complex relationship but disengagement is not an option, and the Prime Minister must lead the national discussion. However, Mr Morrison has never admonished the regular inflammatory and irresponsible comments on China by some of his Coalition MPs. This has made a bad situation worse.

Backbencher George Christensen has led the xenophobic charge, calling for a boycott of Chinese products, comparing China to Nazi Germany and recently posting to Facebook that “WAR IS COMING”. Mr Christensen is the Chair of Parliament’s Joint Standing Committee on Trade and Investment Growth, which has recently conducted an inquiry into the future of Australia’s trade relationships with China and other nations. China, of course, will take note of his comments. Mr Christensen should be removed from this role and replaced with someone who would work to improve Australia’s trading relationships, rather than engaging in immature chest-beating to grab a headline or a Facebook like.

Improve our Asia capabilities

Australian business knowledge of Asia remains limited. Research by AsiaLink has found that more than 90% of board members and senior executives at ASX 200 companies would not qualify as ‘Asia-capable.’ It also found only 4% of directors and 5% of senior executives had worked in Asia for more than five years. The Morrison government has been trumpeting a new bilateral trade agreement with Indonesia, but little has been done to arrest a worrying decline in our understanding of Indonesia, its people and language. It’s a national embarrassment that more students in Australia were learning the Indonesian language in 1990’s Australia than they are today. Last year, I found it difficult to enrol in a post-graduate Indonesian studies course in, of all places, Western Australia, a state with close business ties to Asia. The key point is this: With demand for Australian goods and services expected to rise across Asia’s growing consumer class in coming decades, the value of Asia-capabilities for Australian exporters will be critical to successful export diversification.

Lift our trade diplomacy

Australia must become a vocal global leader in defending free trade and working with like-minded nations to restore faith in the enfeebled World Trade Organization. The Federal Government’s commitment to such cooperation remains under a cloud. In 2019, Scott Morrison railed against the threat of “negative globalism” and ordered an audit of Australia’s role in international organisations. This at a time when Australia’s stake in strong global rules-based architecture is more important than ever.

Australian diplomats must be at the forefront of supporting and strengthening the rules-based order and working with aligned nations to speak out against unilateralism and protectionism. In the WTO, we must encourage a long-term solution to the collapse of the Appellate Body. The Appellate Body was rendered functionless after the Trump Administration consistently blocked the appointment of new members. It is a key component of the multilateral global trading system that has helped to underpin economic growth and lifted more than one billion people out of poverty around the world.

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