

The EU and Australia: Towards a New Era



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Email: media@europeaustraliaforum.eu

Website: europeaustraliaforum.eu



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The EU and Australia:

Towards a New Era

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Preface

Foreword

By Federica Mogherini, High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission

If you only look at a globe, the European Union and Australia would not jump out as natural partners. But in the world of today, the challenges we face mean that building partnerships and alliances is far more important than geography.

For global rules, effective multilateralism, open and fair trade, and universal human rights, the world needs partnerships like ours.

Since our first EU-Australia Leadership Forum in June 2017, what is already a very strong and comprehensive partnership has become even more so. In August 2017, we have signed the EU-Australia Framework Agreement, which in concrete terms enables us to have more regular interaction on everything from joint research projects to collaboration in sustainable development. In July this year we have also started negotiations for an ambitious EU-Australia Free Trade Agreement. As the European Union, we are committed to open and fair trade. Concluding such an agreement with Australia would send another powerful signal, after those we have recently sent together with our Japanese and Canadian friends, that there is no protection in protectionism.

It is not only in the area of trade that the rules-based international order is under unprecedented pressure. This is a time when like-minded partners such as the EU and Australia have to work even more closely together to strengthen multilateral institutions and bodies,

whether they are focused on human rights, climate, security or trade, to deal with regional and global challenges. Whether it is in the United Nations, the World Trade Organisation, the ASEAN Regional Forum or the Asia-Europe Meeting (ASEM), the European Union and Australia will continue to work closely together for peace and prosperity in the Asia-Pacific region and beyond. If unilateralism is the cause of many of the problems we are seeing today, multilateralism is the answer.

And there is more that we are working on. From improving connections with each other and with our respective neighbours in a sustainable and responsible manner, to working together in joint security missions such as the EU's Advisory Mission in Iraq, to working together more closely to counter terrorism and violent extremism, the potential for more cooperation is huge.

The EU-Australia Leadership Forum is the chance to assess the results achieved so far but most of all to generate new ideas that can feed into our work, to the benefit of our peoples and of the world. •



Berlaymont building, Brussels, Belgium.

Foreword

By Senator the Hon Marise Payne, Minister for Foreign Affairs of the Commonwealth of Australia

Australia and the European Union are natural partners with common interests and values, and long-standing historical and people-to-people links.

The leading participants in this Australia-EU Leadership Forum – representing government, business, media, the arts, academia, science and technology – demonstrate the regard and importance we place on strengthening these enduring linkages. The Forum provides a real opportunity to form new and effective partnerships, to identify new areas of cooperation and improve existing areas of cooperation. The Forum also contributes to our joint efforts to promote and protect the international rules that support stability and prosperity and enable the necessary cooperation to tackle global challenges.

A strong European Union remains vital to Australia's interests and is an increasingly important partner in protecting and promoting the rules-based global order as the world moves to a new, more challenging multipolar era. With the European Union and its members we share a commitment to the promotion of prosperity and security for our people. Together, we value democracy, human rights, good governance and the rule of law. We also recognise the importance of the multilateral trading system centred on the World Trade Organization. Our recent launch of negotiations towards a Free Trade Agreement exemplifies our shared commitment to rules-based trade and open markets.

Along with the FTA, I am pleased to see our relationships with the EU and its institutions continue to evolve and deepen, underpinned by the provisional entry into force,

in October this year, of the Australia-EU Framework Agreement. In a more uncertain, competitive and contested world, Australia and the European Union will need partners like each other – dependable, like-minded and responsive to joint and respective challenges and priorities.

I was able to see first-hand the convening power of the European Union at the October Asia-Europe Meeting (ASEM) Summit in Brussels and the opportunity for us to work closely together to promote peace and prosperity in the Indo-Pacific region. With a structural shift of economic and strategic power toward this region, Australia and the European Union are most effective where we draw on our partnership to realise opportunities in areas of common interest and join efforts to face challenges and crises as they arise. Initiatives like the Leadership Forum contribute to an important base of cooperation and understanding that make such joint responses possible.

I look forward to hearing the outcomes of delegates' deliberations and your recommendations for future activities and areas of focus for this important relationship. I commend the European Union for this substantive and worthwhile investment in our collective endeavours and thank participants for committing their time and efforts towards a stronger Australia-EU partnership. •



Parliament House, Canberra, Australia.

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Introduction

The EU and Australia: So far and yet so near

By Michael Pulch

His Excellency Dr Michael Pulch is the Ambassador of the European Union to Australia and the Chair of the Multi-Stakeholder Steering Committee of the EU-Australia Leadership Forum.

The European Union and Australia enjoy a long-standing bilateral partnership deeply rooted in common democratic values and shared commitments to promoting a global rules-based system.

Over the past few years this partnership has deepened and is undergoing a strategic upgrade. New avenues of cooperation are being explored and are leading to new exciting opportunities. In particular, I would like to draw your attention to two defining elements of this relationship.

The first is the EU-Australia Framework Agreement which was signed in 2017 and entered into provisional application on 4 October, 2018. Australia has already ratified the Agreement and, at the time of writing, the European Union Member States are steadily completing their internal ratification procedures. It will cover the entire gamut of the relationship from foreign and security policies to economic relations, climate and energy, science, and cultural education.



A second defining element of the relationship relates to trade and investment. In early 2018 we started negotiations on an ambitious Free Trade Agreement which will bolster our already substantial bilateral trade and investment relationship. This initiative will be an important step for each other's global trade outreach.

How does the EU-Australia Leadership Forum fit into all of this? Our bilateral relations are by now simply too advanced and complex to be summed up by treaties or official meetings. For this reason we thought of the Forum as a way to channel and give a manifestation to that part of the relationship that sits and thrives outside officialdom. The Forum therefore creates and stimulates a community of senior and emerging leaders from many different paths of life: government, academia, business, the media and civil society at large.

While Leadership Forum initiatives are not unknown – indeed Australia has a Leadership Forum with the US and Canada to name a couple – this is the first time the European Union has embarked on such

a venture. Fully funded by the EU's Partnership Instrument and launched in 2016, the three-year project consists of an annual EU-Australia Leadership Forum, held alternately in Europe and Australia, plus a number of more targeted policy workshops and researched publications.

The first annual Forum was held in Sydney in June 2017, and in November 2018 it will be time for Europe to reciprocate Australia's generous hospitality. The programme of our Brussels gathering is very ambitious and this is exactly how it should be.

Its success depends on the active participation and input from the emerging and senior leaders of Europe and Australia who will be present: the more the better! •



The EU-Australia Leadership Forum Project

By Bryce Wakefield, Amber Carvan and Michael Zettinig

Dr Bryce Wakefield is the EU-Australia Leadership Forum Team Leader and National Deputy Director of the Australian Institute of International Affairs.

Amber Carvan is the EU-Australia Leadership Forum Media and Communications Expert and works as an independent consultant.

Dr Michael Zettinig is the EU-Australia Leadership Forum Events Management Expert and Director of Policy at the German Australian Chamber of Industry and Commerce.

The EU-Australia Leadership Forum is an innovative project funded by the European Union and supported by the Australian Government that aims to broaden and deepen the existing ties between the EU and Australia. In so doing, the project helps to define and shape the EU-Australia relationship.

The cornerstone activities of the project are a Senior Leaders Forum and an Emerging Leaders Forum, held back-to-back, alternately in Australia and Europe. The Senior Leaders Forum brings together key European and Australian leaders from government and opposition, business, media, education, science and civil society to collaborate on new ideas to promote and deepen the relationship between the European Union and Australia

The Emerging Leaders Forum supports young and energetic professionals, politicians, academics and policy makers from both Australia and Europe to engage in discussions around the future of the EU-Australia relationship, and contribute their ideas and recommendations to the Senior Leaders Forum.

The inaugural Senior and Emerging Leaders Forum was held in Sydney, Australia in June 2017 and the second in Brussels, Belgium in November 2018.

The project also conducts Sectoral Policy Workshops ahead of official EU-Australia Sectoral Dialogues. These workshops

bring together policy experts and practitioners to provide critical, analytical and innovative thinking to inform the official dialogues and assist the strategic discussions of the Senior and Emerging Leaders fora.

The first Sectoral Policy Workshop on development cooperation in the digital age was held in Canberra on 28 March, 2017 in the margins of the EU-Australia High Level Development Dialogue. The second workshop, on the topic of the international rules-based order, took place in Brussels on 27 April, 2018. The third workshop, on the topic of circular economy and plastics, took place in Sydney on 26 September, 2018.

This publication *The EU and Australia: Towards a New Era* draws on some of the key themes that have emerged through the project since its commencement in 2016. We are delighted to include contributions from some of the brightest minds in EU-Australia affairs, including many members of our Multi-Stakeholder Steering Committee, former participants from our Sectoral Policy Workshops and alumni of the first Emerging and Senior Leaders Forum.

The contributions to this publication, and indeed the outcomes of the project to date, highlight the extraordinary depth and breadth of the EU-Australia relationship and the inherent value of each region to the other. •



The former Australian Minister for Foreign Affairs, the Hon Julie Bishop MP and the High Representative of the Union for Foreign Affairs and Security Policy and Vice President of the Commission Ms Federica Mogherini, at the European launch of the EU-Australia Leadership Forum project on 8 September, 2016.

The multi-stakeholder steering committee

The EU-Australia Leadership Forum Multi-Stakeholder Steering Committee brings together leaders from the European Union and Australia to guide the project over its lifetime.



His Excellency Dr Michael Pulch

Chair of the Multi-Stakeholder Steering Committee and EU Ambassador to Australia

HE Dr Pulch is a distinguished diplomat, with a sound understanding of the EU's relations with countries in the far East/Australasia region. Dr Pulch's academic background is in international law and political sciences. He has held his current office since September 2017.



Mr Luis Alvarado Martinez

*President,
European Youth Forum*

Mr Alvarado Martinez has extensive experience from a range of different European NGOs and youth forums. Most recently, he was appointed as Program Manager at 100 Resilient Cities, pioneered by the Rockefeller Foundation: a seminal project striving to improve urban adaptation to the challenges and stress factors of the modern era. Melbourne and Sydney are among the 100 member cities of the initiative.



Rev Tim Costello AO FAHA

*Chief Advocate,
World Vision Australia*

Rev Costello is a leading voice on social justice and leadership and ethics. He has been fundamental in placing global poverty issues on the national agenda, as well as participating in public debates on gambling, urban poverty, homelessness and reconciliation both at home and abroad, publicly commenting on topical societal phenomena such as the European migration crisis.



The Hon Nick Greiner AC

*Chairman,
European Australian Business Council*

Mr Greiner was Premier and Treasurer of New South Wales from 1988-92. He was awarded a Companion of the Order of Australia for public sector reform and management and services to the community. Mr Greiner holds a number of positions, including as a Member of the Board of Governors of the Committee for Economic Development of Australia, in addition to enjoying well established business connections to Europe.



Mr Peter Jennings PSM

*Executive Director,
Australian Strategic Policy Institute*

Mr Jennings has worked at senior levels in the Australian Public Service on national defence and security and taught politics and international relations at the University of New South Wales and the Australian Defence Force Academy. His areas of expertise include strategic policy, crisis management, international security and international policy. More recently, Mr Jennings has reflected upon the impacts on Australia of Brexit and European terrorist attacks. He was awarded a Public Service Medal in 2013 for his contribution to Australian overseas operations and the French decoration of Knight in 2016.



Mr Pascal Kerneis

*Managing Director,
European Services Forum*

Mr Kerneis is a legal expert with an academic background and an impressive career in European and international trade law. Until his appointment as Managing Director of the ESF he served at the European Banking Federation, participating as advisor in GATS and WTO negotiations on financial services throughout the 1990s. He is member of many European Commission's Advisory Groups, including for the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US. He is a regular speaker on trade in services and investment conferences and author of articles on trade in services related issues in various publications. In his current position at the European Services Forum Mr Kerneis strongly advocates a Free Trade Agreement between the EU and Australia.



Mr Pascal Lamy

*President Emeritus,
Jacques Delors Institute*

The former Director-General of the World Trade Organization (2005-2013), Mr Lamy is a notable figure and opinion leader in European affairs, in particular trade and finance. He holds a number of public offices both in Europe and elsewhere, from Transparency International France to the Center on European Regulation to the Global Agenda Council on Global Governance at the World Economic Forum. An expert in European integration, a 2014 Prospect poll casted Mr Lamy among the top 50 of the world's leading thinkers.



Mr Christian Leffler

*Deputy Secretary General,
Economic and Global Issues,
European External Action Service*

A diplomat and senior figure within the European Commission and European External Action Service, Mr Leffler has built an impressive and versatile career in regional and international affairs. He joined the Swedish Foreign Service in 1980, and was posted in Egypt and France before basing himself permanently in Brussels in 1991. Before his current post as Deputy Secretary General, Mr Leffler served as Managing Director for the Americas. He has studied at the Graduate Institute of International Studies in Geneva and in London School of Economics, and speaks five languages.



Mr Ross McInnes

*French Special Representative
for economic relations with Australia,
Chairman of the Board of Safran*

An Oxford Graduate, the French-Australian Mr McInnes possesses extensive global experience in and knowledge of economic diplomacy. Prior to his current post he worked as Chief Financial Officer in the defence and aerospace sector. Mr McInnes currently sits on 3 major European company boards in addition to his main position as Chairman of the Board at Safran. In 2015, Ross McInnes was appointed special representative of the French Minister of Foreign Affairs for economic relations with Australia.



Dr Robin Niblett CMG

*Director,
Chatham House*

Dr Niblett has served as Director of Chatham House since 2007. Before that he was the Executive Vice President and Chief Operating Officer at CSIS in Washington. Dr Niblett is well-known as the author of and contributor to a number of publications, particularly on transatlantic relations between the UK and the US. An accomplished public speaker, Mr Niblett recently delivered a speech on the implications of Brexit at the Australian Institute of International Affairs in Canberra.



Ms Catherine Raper

*First Assistant Secretary, Europe and
Latin America Division, Australian
Department of Foreign Affairs and Trade*

Catherine Raper is First Assistant Secretary, Europe and Latin America Division. She is a senior career officer in Australia's Department of Foreign Affairs and Trade with over 20 years' experience. Ms Raper served as Australian Representative (Head of Post) in Taipei, Taiwan from 2014-2017. Her overseas experience also includes Minister-Counsellor (Trade) in the Australian Embassy in Washington DC (2010-2012), Counsellor to Australia's Permanent Mission to the WTO in Geneva (2003-2006) (working principally on WTO dispute settlement) and Third Secretary in the Australian Embassy in The Hague (1995-1998).



Ms Laura Tingle

*Chief Political Correspondent,
Australian Broadcasting Corporation
(7.30)*

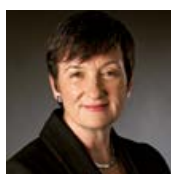
An awarded reporter and investigative journalist, Ms Tingle has written extensively on markets, economics and politics over 30 years. As a recognition of this commitment and of her outstanding reporting skills, she has won two Walkley awards and the Paul Lyneham award for Excellence in Press Gallery Journalism. Before taking her current position at the ABC, Ms Tingle served as Political Editor for the Australian Financial Review, Political Correspondent for The Sydney Morning Herald, The Age and The Australian, as well as National Affairs and Economics Correspondent at the latter.



Mr Herman Van Rompuy

*President,
European Policy Centre*

Mr Van Rompuy was elected the first full-time President of the European Council in 2009, holding the office up until 2014. Prior to this he served as Prime Minister of Belgium and several other government positions in his home country from Minister of Budget to Secretary of State for Finance and Small Businesses. An economist by background, Mr Van Rompuy has been involved in politics since 1973. Today he serves as professor at several universities, including Sciences Po in Paris. Recently in 2014 Mr Van Rompuy led the EU Delegation at the G20 Summit in Brisbane.



Ms Jennifer Westacott

*Chief Executive,
Business Council of Australia*

Ms Westacott has enjoyed a prolific career in both the public and private sectors. Her policy experience extends to economics and competitiveness, infrastructure and sustainable growth, education, healthcare, global engagement and innovation. Of late she has expressed her concerns over the implications of the UK's leave-vote for global financial uncertainty and Australia's credit rating.



Mr Peter Varghese AO

*Chancellor,
University of Queensland*

Mr Varghese took up his position as the fourteenth Chancellor at The University of Queensland on 11 July 2016. Prior to this appointment Mr Varghese was Secretary of the Department of Foreign Affairs and Trade from December 2012 to July 2016. His diplomatic appointments include High Commissioner to India (2009-12), High Commissioner to Malaysia (2000-02) and postings to Tokyo, Washington and Vienna. Mr Varghese was appointed an Officer in the Order of Australia (AO) in 2010 for distinguished service to public administration, particularly in leading reform in the Australian intelligence community and as an adviser in the areas of foreign policy and international security.

Setting the Scene





A timeline

of EU-Australia relations 1962-2018

1962

Sir Edwin McCarthy becomes Australia's first Ambassador to the European Communities.

1968

Agreement between EU and Australia negotiated under Article XXVII (5) of GATT.

1974

Australian Prime Minister Gough Whitlam visits the European Commission.

1975

Agreement between EEC and Australia negotiated under Article XXVIII of GATT.

1981

The Delegation of the Commission of the European Communities to Australia is established in Canberra. The Head of the Delegation is the official representative of the European Commission in Australia.

1982

A 30 year Agreement between Euratom and Australia comes into force.

1985

In February Australian Prime Minister Bob Hawke visits Brussels to meet the new President of the Commission, Jacques Delors.

1986

Australian PM Bob Hawke visits Brussels.

1960

1970

1980

1990

1976

Ministerial consultations begin between the EU and Australia.

1977

Australian Prime Minister Malcolm Fraser visits the EC and proposes to President Roy Jenkins that the informal discussion be transformed into regular high-level consultations.

1979

Council of Ministers approves directives on an EC-Australian agreement on the transfer of nuclear materials.

1994

European Community-Australia Wine Agreement is signed.

European Community-Australia Agreement on Scientific and Technical Cooperation comes into force.

1995

Exchange of letters between the European Commission and Australia suggesting a Framework Agreement to achieve common goals.

1996

Negotiations commence on Framework Trade and Cooperation Agreement and Joint Political Declaration.

1998

First Australia-EU Troika Talks on Asia held in Brussels.

1999

Agreement on Mutual Recognition in relation to Conformity Assessment, Certificates and Markings between Australia and the European Community signed.

2002

EU-Australia Consumer Protection Agreement signed in Brussels.

Australia Prime Minister John Howard visits Brussels and meets the full College of Commissioners.

2003

Agenda for Cooperation signed.

2004

Inaugural Development Dialogue held in Brussels.

2014

Minister for Foreign Affairs Julie Bishop and EU Commissioner for Development Andris Piebalgs sign Delegated Cooperation Agreement.

2015

The EU-Australia Crisis Management Cooperation Agreement is signed in Brussels.

Negotiations are concluded for the EU–Australia Framework Agreement.

European Commission and Geosciences Australia sign Earth observation arrangement.

2000**2010****2007**

The EU and Australia sign Joint Declaration on Education and Training.

2008

EU-Australia Partnership Framework is agreed.
Revised EU-Australia Wine Agreement signed.

2010

Australian Prime Minister Julia Gillard attends the Asia-Europe Meeting (ASEM) Summit.

2011

European Commission President José Manuel Barroso visits Australia.

2013

First visit to the EU by an Australian Governor-General.

2016

Launch of the EU–Australia Leadership Forum.

2017

Inaugural EU–Australia Senior and Emerging Leaders Forum takes place in Sydney in June.

The EU-Australia Framework Agreement is signed in August, marking the beginning of a new era of strategic cooperation.

In September, European Commission President Juncker proposes to open trade negotiations with Australia.

2018

Negotiations for an EU-Australia Free Trade Agreement are formally launched in June.

In July, the first round of FTA talks is held in Brussels.

Highlights from the 2017 EU-Australia Leadership Forum

The inaugural EU-Australia Leadership Forum was held in Sydney, Australia in 2017 and comprised an Emerging Leaders Forum (2-5 June) and a Senior Leaders Forum (4-6 June).

The event took place at a significant time for the EU-Australia relationship – two months prior to the formal signing of the EU-Australia Framework Agreement and with momentum growing for the commencement of negotiations towards an EU-Australia Free Trade Agreement.

Internationally, it was also a very interesting and eventful time. The Forum took place less than five months after the inauguration of President Trump and only one day after his announcement that the United States would cease all participation in the Paris Agreement.

This proved to be a hot topic of conversation at the Forum, among both senior and emerging leaders, as was the issue of Brexit and its potential implications for the EU-Australia relationship.

The Gala Dinner and opening sessions brought together both emerging and senior leaders and featured talks from political figures and leading experts showing enthusiasm and excitement for the EU-Australia Leadership Forum and the growth of EU-Australia relations. The then Minister for Foreign Affairs the Hon Julie Bishop MP spoke at the Gala Dinner, emphasising the very close relationship between the EU and Australia and expressing her confidence that the forum would continue to drive the momentum that ensures the future of the EU and Australia.

Discussions on the topic of global shocks covered themes of geopolitical change, economic challenges and anticipating future shocks. Of the shocks discussed, the United States' abandonment of the Paris Climate Agreement was one of the main concerns expressed by the speakers. Nonetheless, there was a level of optimism and opportunity articulated by the speakers

in light of this global shock, as they presented it as a chance for Australia and the EU to become global leaders in implementing effective climate change policy.

During discussions on overcoming the crisis in politics, experts from politics, business, media and academia explored a number of themes including: entitlement, anger and politics; populism and the rise of minority parties; and the role of the media.

On the topic of prosperity, discussion centred on issues related to trade, innovation and the future workforce. Speakers expressed excitement about the prospects of growth in trade and innovation between Australia and the European Union. The development of an EU-Australia Free Trade Agreement was described as a critical step towards not only a closer trade relationship, but towards the growth of a partnership that can tackle wider global issues. It is more than just the removal of tariffs, but a platform through which the EU-Australia relationship can flourish.

A Brexit Breakfast gave senior leaders a chance to explore the implications of Brexit for Australia through a frank and open discussion about the consequences of Britain's exit from the European Union. While there was consensus that Brexit will have severe consequences for Britain's economy, the speakers emphasised that this should not discourage Australia from continued engagement with the EU-Australia FTA. Due to Australia's relationship with Britain, there was consensus that inevitably, Brexit will affect Australian business in Europe. Nevertheless, there was optimism for the opportunity that this presents for Australia's increased engagement with the rest of Europe. •



Participants at the 2017 EU-Australia Leadership Forum in Sydney, Australia.

DID YOU KNOW?

The EU-Australia Leadership Forum is helping to deepen and broaden understanding of the EU-Australia relationship

In the EU-Australia Leadership Forum project's mid-term survey, 90% of respondents said that their understanding of the EU-Australia relationship had deepened since being involved in the project's activities. Additionally, 88% of those surveyed said that the project had encouraged them to further engage with issues related to EU-Australia relations.

From emerging leaders to international collaborators: The story of Chiara and Giovanni

By Chiara De Lazzari and Giovanni Collot

Dr Chiara De Lazzari is an Early Career Researcher and Lecturer at Swinburne University of Technology and an alumni of the 2017 EU-Australia Emerging Leaders Forum.

Giovanni Collot is a political analyst and communication expert, Editor-in-chief of 'La Lettre du Lundi' and an alumni of the 2017 EU-Australia Emerging Leaders Forum.

In June 2017, we participated in the EU-Australia Emerging Leaders Forum held in Sydney. We were thrilled to find out we had been selected to take part in this unique event that allowed young professionals from the EU and Australia to work together and share ideas about the future collaborations between the EU and Australia and learn from each other's experience and vision.

Giovanni: I have a strong interest in the EU's global role as a force for good. For this reason, the Emerging Leaders Forum was of interest to me in order to get a new perspective on what the EU and Australia have in common, and how they might collaborate in the world.

Chiara: I thought the Emerging Leaders Forum was a fantastic opportunity to meet young professionals who worked in the same field and had experience in my areas of interest such as migration and mobility.

The three days of the Emerging Leaders Forum were very intense and productive. We had the opportunity to meet brilliant young professionals and it was fantastic to share ideas and develop new ones in common areas of interest including international relations and security, migration, education and many others.

The Forum also allowed us to create very concrete connections and professional collaboration opportunities.

Giovanni: Some months after the Forum, I became the Editor-in-chief of La Lettre du Lundi – a weekly multi-lingual European online magazine (founded by the Groupe d'études géopolitiques) that looks at Europe as a geopolitical actor. Every week, it presents to an audience of around 5,000 readers a series of twenty short articles by European researchers, journalists, and experts, dedicated to the main events happening in international affairs around the world, interpreting them from their interest and impact for the European Union.

Chiara: Thanks to the connections built during the 2017 EU-Australia Emerging Leaders Forum, Giovanni invited me to write weekly articles for the magazine about Australian domestic politics and Australian international affairs – a topic that is not very often dealt with in European media. Knowing that Giovanni shared my belief in the importance of EU-Australia relations, I enthusiastically agreed to contribute and provide a voice from Australia.

We wanted to share our experience and our story with participants of the 2018 EU-Australia Leadership Forum because we believe that it is a fantastic example of the type of enduring collaboration that can arise from these fora. We hope the 2018 participants can make the most of the event to start new friendships and future professional collaborations with both emerging and senior leaders.

The EU-Australia Leadership Forum is a fantastic platform to meet new people and expand networks, but more importantly, it is an opportunity for exchanging ideas and getting inspiration beyond traditional channels and hierarchies. For this reason, we would urge senior leaders to get to know the emerging leaders as they can add great value and provide inspiration for the future. There will be many brilliant young people in the room and you will not be disappointed. •

Like-minded partners facing challenges together

By Gunnar Wiegand

Gunnar Wiegand is the Managing Director for Asia and Pacific in the European External Action Service (EEAS). He is the EU's senior official for the Asia Europe Meetings (ASEM) and EU-ASEAN relations..

The EU and Australia share important historical and cultural heritage. However, this is not the only foundation on which we have built our relationship.

We are like-minded partners with strong beliefs in common democratic values and shared commitments to promoting a rules-based global order. Furthermore, we also have important trade and investment links that give our relations great potential.

Challenges to the rules-based international order

There are few issues that are as relevant to the EU and to Australia as challenges to the rules-based international order. We are at a critical moment in a new era as the system established in the last previous decades is changing. With Asia, and especially China, becoming more influential and the uncertainty surrounding the US, things are unavoidably evolving.

Until recently, the US-led global order was one of the rules, incorporated into a system of international organisations and laws, such as the United Nations and the World Trade Organization. This rules-based international order addressed the problems that caused World War II and it also demonstrated resilience by guiding us into a new era of prosperity and democracy.

The uncertainty surrounding the US global leadership has opened the door for other countries to pursue their agendas in their way. In the Spratly and Paracel chains of the South China Sea, China has reclaimed several dozen acres of land and installed

military facilities on all the reefs it has turned into artificial islands. In 2016, the EU had already expressed its concern about the deployment of missiles, military forces or equipment on disputed maritime features in the South China Sea and called on all claimants to refrain from militarisation in the region. In the East China Sea, China keeps on pushing its claims over disputed islands. Russia has not only annexed Crimea and intervened directly in the Ukrainian conflict, it is also demanding recognition of Russian influence around its neighbourhood. We have to ask ourselves whether the post-World War II institutions and rules can withstand these challenges to US global leadership and the rules-based global order that we support.

These challenges are particularly relevant to Asia, and there is a strong case for having a fresh look at the regional security order in Asia. To what extent are its rules accepted by all? China's rise and its assertiveness coupled with changes in US posture make this rethink even more compelling, as the alternative to a rules-based regional order is a power-based one. There is the sense that the existing order is not robust enough to handle the strategic shifts underway. Nor does it seem to be equipped with enough crisis management capacity to effectively handle crises, such as the North Korean crisis.

EU and Australia as like-minded partners

As EU-Australia relations are becoming more political we have launched a number of initiatives to deepen and further this dimension. The EU-Australia Framework Agreement marks the beginning of a new era of strategic cooperation between us. This Agreement will deepen cooperation in the areas of foreign and security policy, sustainable development, climate change and economic/trade matters. We have also started negotiations for a bilateral free trade agreement that will increase trade and investment flows and promote innovation and employment in both the EU and Australia. This negotiation will also send an important signal in support of the rules-based trade system which is currently under pressure.

Security is a very important aspect of EU-Australia relations. A key element of our partnership is the Security Dialogue. In terms of foreign and security policy, the EU and Australia are like-minded partners on the international stage and work together to face global challenges, both in a bilateral and multilateral context.

Strategic cooperation is on-going in areas such as counter-terrorism, development and humanitarian aid and in the promotion and defence of human rights.

The EU would also like to welcome Australia as a potential partner in crisis management missions. While Australia has already contributed to an EU-led crisis management mission in the Horn of Africa, there is definitely room for increased cooperation in this area. We also have a successful counterterrorism dialogue.

As we at the EU try to protect our values and commitments, it becomes increasingly more important to work together with countries and organisations that share our beliefs and value both global security and open markets. I want to emphasise the partnership of the EU and Australia in this context. We are both like-minded partners and it is important that we face these challenges together. ●

Continuity and change in Australia-EU relations

By Annmarie Elijah and Jacqueline Lo

Annmarie Elijah is Associate Director of the Australian National University Centre for European Studies.

Jacqueline Lo is Executive Director of the Australian National University Centre for European Studies.

Australian thinking and policy on European integration has, from the outset, been driven by two convictions: first, that the fundamental objectives of the European project are sound and in Australia's broad interests; second, that an 'open' version of regional integration would best suit Australian economic interests.

The first of these usually prevails as a priority, and the second is responsible for much of the noise and trouble in the history of the bilateral relationship.

Historical documents reveal these twin convictions – and their uneasy coexistence – from the first Australian encounters with the European integration process. On the one hand there was no denying the benefits of the peace and security that the member states proposed to bring about through European integration. On the other, the particular form that European integration took presented clear challenges for Australia – especially once the UK became formally involved and acceded to the European Community in 1973.

The development of the Common Agricultural Policy, its impact on Australia-UK trade and later on Australian third country markets meant that the initial stages of the bilateral relationship were difficult. Despite a clear basis for like-mindedness internationally, formal progress in the relationship between Canberra and Brussels was slow.

In this context recent developments are noteworthy. Australia-EU relations have come a long way in the last decade, with a treaty-level political agreement (the Framework Agreement) and high-level commitment to a bilateral trade treaty. This is not before time. A cursory glance at the EU map of international trade agreements reveals that Australia, together with New Zealand, remains one of the only countries with which the EU does not have some kind of formal trade relationship, in spite of solid economic relations. The diplomatic consensus is that this relationship's time has finally come, and serious bilateral work with partners inside the EU (the Netherlands, Germany and France, to take three examples) now underpins a constructive relationship.

No wonder then that there is some Australian head-scratching over the Brexit vote of June 2016 and the triggering of Article 50 by the British Government to formally commence negotiations to leave the EU. Just as the long shadow of British accession and its ramifications for Australia-EU relations appear to have given way to cooperation – perhaps genuine goodwill – the UK has once again called the terms of Australian relations with the EU28 into question with the proposed split. It is, at best, inconvenient.

The practical challenges for Australia are clear: additional (complex) trade negotiations with the UK once the terms of Brexit are known; major trade partners which are more concerned with each other than with distant third countries; and disruption to the Australia-EU relationship at a time when it had actually improved.

There is also the danger that Australia becomes implicated in the politics of Brexit by being put forward as some kind of alternative partner in a post-EU British foreign and trade policy.

Australian policy makers would do well to blow this notion out of the water. It is difficult to see the benefits for third countries of an 'either/or' scenario with the UK and the EU, which could so easily arise from Brexit politics. This is not to suggest for a moment that the Australia-UK relationship is not important, or that Australia is uninterested in the final terms agreed by the UK and the EU27. But Australia has long been incidentally involved in UK-EU politics, and so far it has done precisely no good. Australia is not being forced to choose between the UK and the EU, and Australian economic interests do not have to be collateral damage a second time.

Brexit also needs to be put in perspective. Euroscepticism is demonstrably on the rise, and there is no doubt that the European project has taken a serious hit. Its future direction is the subject of debate and political contestation across European capitals. Multispeed Europe is now a live possibility – perhaps a necessity. Yet European integration does not rise or fall with the fortunes or commitment of the UK. There are 27 other

member states, and the original six were committed to integration well before UK accession in 1973. Third countries might expect to witness plenty of European soul-searching about how the EU will function – perhaps with new impetus after the election of President Macron in France – but European integration is not at an end.

The EU is potentially being transformed, and not only its membership. These changes may matter more to Australia than whatever messy divorce terms the UK and the EU27 can agree. The impact of Brexit on Australia will depend on a range of factors, not least British domestic politics, and these may not be clear for years. The material impact on Australia may ultimately be negligible. Australia could not afford to be so sanguine about the fate of the European project, a key plank of the post-war liberal international order and the source of peace and prosperity across a continent for more than half a century.

The Australia-EU relationship has rarely had more diplomatic attention, press coverage or public interest. There is plenty of scope for noise and trouble: perhaps as the historical differences surface in the bilateral trade negotiations, or from the politics of Brexit, or both. The relationship is stronger than at any other time in its history. Australian policy makers will continue to see the logic and necessity of European integration. They will also have to deal with the 'downstream' consequences of EU politics for third countries, where outcomes will not always align with Australian interests. Plus ça change... •

The Framework Agreement: A major landmark for EU-Australia relations

By Edward Yencken

Dr Edward Yencken is a researcher within the School of Social and Political Sciences at The University of Melbourne and is an alumni of the 2017 EU-Australia Emerging Leaders Forum.

When signed in 2017 the Framework Agreement was a major milestone for bilateral relations between the European Union and Australia.

This resulted both from the symbolism of its treaty level status but also from the comprehensive nature of the agreement. The agreement typifies the current status of the EU-Australia relationship both in terms of its breadth and depth given the sectors it covers with very detailed commitments.

The first idea of a Framework Agreement between the EU and Australia has its origins in an exchange of letters between European Commission President Jacques Santer and Prime Minister Paul Keating in 1995. Negotiations for this iteration of the Framework Agreement would continue for two years, with a political declaration signed in 1997 instead due to a disagreement of the inclusion of an 'operative human rights clause'. Notwithstanding the inability to complete negotiations for this iteration of the Framework Agreement, a succession of sectoral agreements were signed between the EU and Australia with this culminating in the 2008 Partnership Framework agreement. This agreement for the first time gave specific expression to the breadth of the relationship between the EU and Australia and proposed specific new initiatives for cooperation.

Suggestions of a new comprehensive agreement between the EU and Australia gained momentum following the Partnership Framework and its review in 2009. By 2011 European Commission President José Manuel Barroso noted the decision to seek to 'upgrade our partnership by means of a Framework Agreement that would put our relationship on a new footing. This agreement would serve as an "umbrella" for the many areas of our thriving cooperation', which importantly would be at the treaty-level with budgetary resources available. In the years after their announcement there would be a delay in negotiations, again regarding the inclusion of a human rights clause. Irrespective of such concerns, however, negotiations between the EU and Australia continued to proceed.

By 2016 the finalisation of Framework Agreement negotiations took place. In April of that year the European Commission issued a memorandum noting that 'the Agreement contributes significantly to the improvement of the partnership between the EU and Australia, a partnership which is based on joint values and principles, including respect for democratic principles, human rights and fundamental freedoms, the rule of law, international peace and security'.

It also successfully addressed issues of disagreement during negotiations. The agreement, according to the Commission, would be similar 'to those concluded by the EU with partner countries' and would include 'binding political clauses based on the shared values of the two Parties... in areas including human rights, non-proliferation and the fight against terrorism'.

In 2017 the Framework Agreement was formally signed by High Representative of the European Union for Foreign Affairs and Security Policy/Vice-President of the European Commission, Federica Mogherini, and Australian Minister for Foreign Affairs, Julie Bishop. The agreement covers several sectors, namely: political dialogue on foreign policy and security matters; cooperation on global development and humanitarian aid; cooperation on economic and trade matters; cooperation on justice, freedom and security; cooperation in the areas of research, innovation and the information society; cooperation in the area of education and culture; and cooperation in the area of sustainable development, energy and transport. Its overall importance nevertheless needs to be seen again in more formal terms. As former EU Ambassador to Australia Sem Fabrizi argued, it finally provides a formal legal and institutional basis for the relationship.

In the years subsequent to its completion, the Framework Agreement has undoubtedly acted as a key foundational instrument in facilitating further cooperation between the EU and Australia. Mogherini argued that 'we have intensified our cooperation in the last couple of years with the Leadership Forum, with the Framework Agreement, and most recently with a very positive beginning with our negotiations for our free trade agreement (FTA)'. In particular, the Framework Agreement has provided the necessary legal precursor for any future FTA between the EU and Australia. In June 2018 these negotiations commenced. To see the Framework Agreement only in terms of its salience to ongoing FTA negotiations, however, would be to downplay its importance to the overall bilateral

relationship. From the perspective of the European Parliament, the agreement 'highlights the special value for the EU and Australia, as partners with the same world vision, to cooperate bilaterally and multilaterally on regional and global issues' in order to preserve and strengthen a cooperative and rules-based global order in a complex and changing world facing great uncertainty.

Similarly, a committee of the Australian Parliament has noted that the Framework Agreement consolidates the extent to which 'Australia has an interest in working with the EU to enhance and improve security, stability, good governance and coordination of development cooperation in the changing strategic landscape in the Indo-Pacific region'.

The Framework Agreement therefore tangibly represents the shared interests of the EU and Australia and the significant opportunities for future cooperation. ●

Issues and Analysis



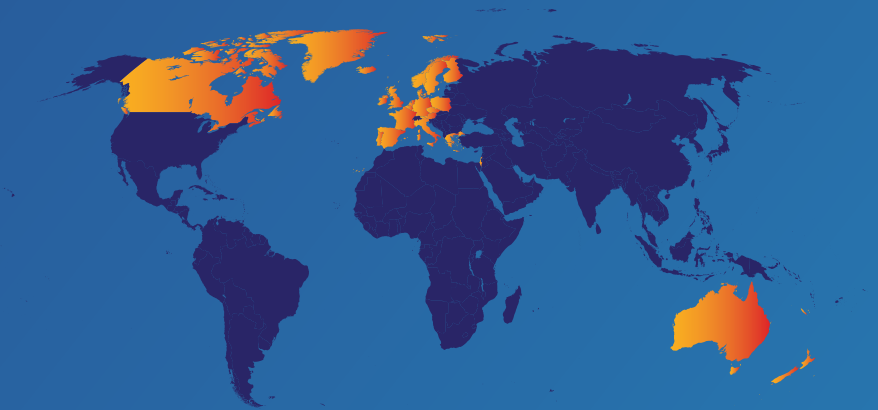




Security, Foreign Policy and Development Cooperation



Australia is one of only **four permanent non-European members** of the **Western European and Others Group (WEOG)** in the United Nations Regional Grouping System



DID YOU KNOW?

Ten separate Articles in the EU-Australia Framework Agreement address foreign policy and security

Articles 3–11 of the EU-Australia Framework Agreement require the Parties to promote: development of the bilateral relationship; democratic, human rights and rule of law principles; regular political dialogue between leaders, ministers and Parliaments; and regular consultation between senior officials. Additionally, Article 5 reaffirms the Parties' commitment to promoting peace and stability, and establishment of crisis management operations. The Agreement requires Parties to: implement existing obligations under disarmament, non-proliferation and other relevant treaties; implement their existing obligations dealing with small arms and light weapons; cooperate in promoting the aims and objectives of the Rome Statute; cooperate bilaterally and internationally in the fight against terrorists; and cooperate in regional and international organisations.



In 2017,
Australia and the EU celebrated
55 years
of formal diplomatic relations.



Australia is the

largest aid donor

to the Pacific region and the EU, with its Member States, are the **third largest** behind Japan.

The EU-Australia relationship in light of current EU priorities

By Fabian Zuleeg

Dr Fabian Zuleeg is the CEO and Chief Economist of the European Policy Centre. He is currently Honorary Fellow at the Europa Institute of the University of Edinburgh and Honorary Professor at Heriot-Watt University.

In a global environment where the rules-based order is challenged, both the EU and Australia would benefit from closer ties with like-minded global actors that share the same values and objectives.

Recent years have been a period of tremendous change for the EU, internally and in its relations with the rest of the world. The EU has been buffeted by a polycrisis: the global financial and economic crisis with its impact on sovereign debt and the Euro, internal and external security challenges and the refugee crisis, together all contributing to a rise of populist, nativist and Euro-sceptic political forces. In the United Kingdom, it led to the 2016 vote to leave the European Union but the phenomenon is clearly not limited to Europe as demonstrated by the election of Donald Trump as US President later that year, which threatened a further cornerstone of post-WWII reconstruction in Western Europe: the transatlantic relationship.

The good news is that the tide turned in 2017, with a recovering economy and better than expected election results, including the victory of Emmanuel Macron in the French Presidential election. The pressure from President Trump acted as a unifying force, helping to push Europe closer together, including on defence and security issues. For the United Kingdom, Brexit also turned out to be more complicated and economically costly than anticipated, creating domestic political chaos, making it an example no other EU country wants to follow.

This is not to underplay the fact that there are many unresolved issues in the EU including, for example, challenging governments in Hungary and Poland and a run of election results in late 2017-2018 that have been less favourable, such as in Italy. There is also the question of European leadership and how far President Macron can rely on the weakened Grand Coalition in Germany in his ambitious EU reform plans. But overall, the EU27 is still in a better place than at the height of the crisis and is no longer existentially threatened.

Arguably, this means that the EU could and should have a more international outlook rather than focus on its domestic crises. This would imply taking a greater global role: in part fulfilling the expectation that Europe could somehow take on, or at least contribute to, the defence of the liberal multilateral global order. Even during the crisis period, the EU remained active in global economic relations, including a busy bilateral trade agenda with trade deals including Japan and Canada. But many within and outside the EU were hoping for a more strategic and proactive global European agenda.

In part, this is happening. There are initiatives to increase Europe's security and defence capabilities and the EU's Global Strategy envisages greater international engagement for the EU, taking greater responsibilities and investing in partnerships. Countries such as Germany are also (slowly) taking a more active international role. But this is a long process that will not produce decisive results quickly. There has to be a recognition that there are inherent limitations with the EU approach, not least the fragmentation between member states and their different assessments of threats and priorities. An added complication is the Brexit process, which carries significant uncertainty regarding the future UK-EU relationship and thus European international capabilities and capacity.

What does this imply for the EU-Australia relationship? Deepening the economic relationship should be relatively straightforward but there are two caveats. For the EU, the most important consideration is protecting the European integration process. If there were massive public objections to an EU-Australia trade deal, for example driven by concerns for a farming sector that is already likely to suffer from a proposed cut in EU funding, it would be highly tempting for the EU not to push for fast progress. Similarly, if there was any suggestion that the relationship with the UK would be accorded a higher importance by Australia than that with the EU, this could potentially halt progress.

When it comes to wider areas of cooperation, there are certainly shared global objectives, including the pursuit of Sustainable Development Goals, the implementation of the Paris Agreement and peace-keeping missions. The protection of maritime trade routes and more generally, support for the global economic order (including the WTO) should be shared interests, as well as cooperation on security questions, such as improved cyber security.

But the EU will, in the challenging global environment, also look quite specifically at what is in its direct interest. In terms of security, the Asia-Pacific is a long way away and the EU will be reluctant to get involved at a larger scale. In economic terms, the relationship with China is of the highest importance for the EU given that it remains strongly dependent on global supply chains and a global free trade environment. This makes current US trade policy a major concern. It should also not be forgotten that, for the foreseeable future, the EU will continue to be an international actor with uneven powers across different fields of external action, with some international policies run at EU level but many – notably foreign and defence issues – remaining largely a national prerogative.

Despite these limitations, there is significant scope in the development of closer ties. Of course, relations with China, the US and the UK are central to the foreign and economic policy agenda of both the EU and Australia. However, this is not necessarily a hindrance in the development of the EU-Australia partnership. Strategically, it is not the central relationship for either side but there are many specific areas of cooperation that can bring mutual benefit, not only in the economic field but also in areas of security and international policies.

In a global environment where the rules-based order is challenged, both sides would very much benefit from having closer ties with like-minded global actors that in the end, share the same values and objectives. •

Whose rules? In which order?

By Carl Ungerer

Dr Carl Ungerer is a former adviser to Minister for Foreign Affairs the Hon Bob Carr and former head of the Leadership, Crisis and Conflict Management Program at the Geneva Centre for Security Policy. Dr Ungerer was Co-Chair of the EU-Australia Leadership Forum's Sectoral Policy Workshop on Security.

Australia considers the stability of the current rules-based international order as a strategic interest. But defence of this order first requires Australia to determine which rules are worth fighting for and which ones can accommodate change. To date, no clear answer has emerged.

Australia's defence of the rules-based international order is commendable, if a little erratic and nostalgic. The challenge to Australia's vision of a rules-based order, mostly from China and Russia, means that a more concerted response is needed from like-minded middle powers in both Asia and Europe.

Aussie rules

As an Asia-Pacific middle power, Australia is invested in promoting a rules-based international order. Like Europe, Australia relies on open, free access to markets and ideas for both its prosperity and security. So, it follows that Australia seeks an international order which is manageable and predictable, and one which suits our values as a Western liberal democracy.

But the recent Foreign Policy White Paper hinted at Australia's growing anxieties over the current state and future direction of the international order. It referred to the importance of 'rules' or a 'rules-based order' no fewer than fifty times.

Although the term and the general orientation towards multilateralism it infers have been the mainstays of Australian foreign policy since 1945, no other official government statement has placed the concept of a 'rules-based international order' at the forefront of Australian foreign policy in quite the same way.

For over 70 years, Australia's order-building instincts were premised on three core foundations: continuing US military primacy and leadership in Asia; the maintenance of open and free markets; and the institutionalisation of democratic systems of government. In this way, the desired rules governing the 'international' order and the 'regional' order were the same. However, Australia looks out to an Asia-Pacific region today in which each of those foundational elements is under pressure, and in some cases, retreat.

Perhaps this is the reason for the current Australian Government's more strident public defence of the 'rules-based order': it is just nostalgia wrapped up as strategy. But it fails to explain the repeated claim that the stability of the current order is one of Australia's 'core strategic interests' and that the Australian Defence Force (ADF) should be prepared to fight to defend this order.

25 EU Member States
have Embassies /
High Commissions
in Australia



Australia has Embassies /
High Commissions in

19 EU Member
States



This elevates the entire issue of promoting a 'rules-based order' from one of diplomacy to war. It clearly breaks with the past practice of seeing the evolution of international order building as a developmental problem ("less Geneva, more Jakarta" indeed.) International order building through military force would be a very different world than the one we currently live in. And it would also seem to undermine the normative principles upon which the current order is built.

Having rattled the sword, the Foreign Policy White Paper then canvasses an alternative approach to order-building, one that would accommodate the rise of emerging powers and accept incremental changes to the existing institutional arrangements: "Australia believes the institutions that support global cooperation must accommodate the greater weight of emerging powers... Australia will therefore contribute constructively to the reform of international institutions."

Challenges and responses

Australia's vision of an international order based on rules and not power politics is most directly challenged by three recent events: China's reclamation activities and militarisation of the South China Sea; the breakdown of the normative barriers to chemical weapons use; and the potential destabilising effects of a trade war between China and the United States.

In each case, Australia had a direct hand in the establishment of the ordering principles which are now threatened by others (read China and Russia). It matters to Australia if international agreements such as the UN Convention on the Law of the Sea, the Chemical Weapons Convention or the World Trade Organization are undermined.

To those three, we should add a fourth: the rapid evolution of cyber-enabled interference in the political, economic and social fabric of the West. Whereas the maritime, arms control and trade dimensions of geopolitics are well defined by rules and norms, the same is not true of the cyber domain. In the absence of rules, we should get ready to fight. The cyber domain, and the polarisation it causes between competing visions of how rules should apply in contemporary international relations, is emblematic of the problems faced by Australia and Europe in trying to defend, let alone improve, the rules-based order.

China and Russia challenge the contemporary rules-based international order in similar ways. But there are also important distinctions to be made between how Beijing and Moscow are seeking to influence and shape the 'post-polar' world. China is a reluctant and selective participant in the rules-based order. Although it has never reached the status of the 'responsible stakeholder' that many had hoped it would become, it has not abandoned the rule book altogether. Throughout the current tit-for-tat trade dispute with the White House, China has managed to position itself as the sole defender of the WTO rules: a remarkable position only the current Trump administration could achieve.

Such is the challenge posed by countries such as Russia and China, that Australia and other regional powers are contemplating the use of all instruments of national power to defend the current international order. But, short of war, how should Australia and other like-minded countries approach the challenges to the rules based international order?

We should start from first principles: at the heart of Australian foreign policy there has always been a bias towards what the academic JDB Miller once described as a “dogged, low-gear idealism”. Australia faces the world with a mix of pragmatism and principle, calibrating responses to international problems with a strong emphasis on coalition-building with like-minded countries.

If the EU and Australia were looking to build a joint response to the problem of contemporary order building, initiatives such as the MIKTA grouping offer a glimpse of how this might be achieved. MIKTA is an informal meeting of foreign ministers from five middle powers (Mexico, Indonesia, South Korea, Turkey and

Australia) which first met in the margins of the 2013 UN General Assembly. A similar mechanism established between middle powers in Europe and Asia, or an expanded MIKTA process, would offer a potentially useful mechanism to build consensus on a rules-based international order.

The rules of the new international order will not be determined by the actions of the major powers alone. The diffusion of power and prosperity across the world will mean that the second-tier states will hold increasingly strategic positions, making them capable of shaping the politics, economics and security of their regions. •

Threats to a rules-based international order

By Quentin Peel

Quentin Peel is an Associate Fellow with the Europe Programme at Chatham House. He joined the Financial Times in 1975, where he served as foreign editor and international affairs editor, among other roles. Mr Peel was Co-Chair of the EU-Australia Leadership Forum's Sectoral Policy Workshop on Security.

There is a broad consensus in the Western world that the rules-based order that has governed international relations for the past 70 years is under unprecedented strain. Where are the most serious threats coming from? How fundamental are they and how can they be dealt with?

Both the European Union and Australia are great believers in the rules-based order as the essential core of global governance. For the EU, multilateralism and a rules-based order is written into its DNA. As a Chatham House paper put it in 2015, the EU is “perhaps the most rules-based and rules-observant of all branches of the current international order.” For Australia, the rules-based order is embraced for more pragmatic reasons: a guarantee that the interests of mid-sized countries will not be ignored by the rival superpowers of the twenty-first century.

Distinguishing the threats

Are we talking about threats to a “liberal” rules-based order – which is seen as US-dominated, free market-oriented, and democracy-based order – or a rules-based order without the “liberal” tag?

While significant parts of the post-war rules-based order have long been dominated by a western-defined liberal agenda, including the WTO and the Bretton Woods institutions, the same cannot be said for all the agencies and elements of the UN system, which sought to balance the protagonists of the Cold War by granting

veto in the UN Security Council to all five original nuclear powers including Russia and China. Russia and China may be keen to counter the excessive influence of the “West” in setting the international economic and human rights agenda, however they are equally determined to preserve a rules-based system in which they both enjoy vital vetoes.

Fears for the future of the rules-based order, and a determination to preserve it, have been expressed in the most recent UK and Australian security and foreign policy doctrines, as well as the EU Global Strategy. But different leaders have put a different emphasis on the sources of the threat. Some see it as coming from the rising nationalism of China, the revanchism of Russia, and the America First doctrine of President Trump. Others fear rogue states and non-state players. The threat of dramatic technological change, with an essentially unregulated cyber-space, is another key factor undermining a rules-based order.

In a speech at the Lord Mayor’s banquet in London, Theresa May declared that the rules-based system was in danger of being eroded and singled out Russia as



DID YOU KNOW?

The EU and Australia have an Agreement on Crisis Management

The Australia-EU Crisis Management Agreement entered into force in October 2015. It provides a legal framework to facilitate the participation of Australian civilian and military personnel in crisis management operations organised and led by the EU.

the worst offender: "It is Russia's actions which threaten the international order on which we all depend," she said, citing the illegal annexation of Crimea, fomenting conflict in the Donbass, repeated violation of national airspace of several European countries and cyber espionage. The only other country mentioned by Mrs May was North Korea, along with non-state actors such as "Daesh and Islamist terrorism" in the Middle East.

Julie Bishop, Australia's former Minister for Foreign Affairs, also singled out North Korea and non-state actors as threats to the rules-based order when she addressed the UN General Assembly in September 2017.

But neither she nor Mrs May dared to mention the man most responsible for the sharp increase in alarm in Europe and the Asia-Pacific about the sustainability of the rules-based order: US President Donald J. Trump.

As John Ikenberry puts it, "For the first time since the 1930s, the United States has elected a president who is actively hostile to liberal internationalism." Ikenberry fears that the internal populist backlash in the western world – as expressed by the election of Donald Trump, the Brexit vote in the UK, and the rise of populist nationalism in countries such as Hungary, Poland, Turkey and the Philippines – is a greater threat to the rules-based order than revanchist Russia, nationalist China or the unpredictability of rogue states such as North Korea. If the architects of the system have lost faith in its capacity to deliver fair regulation, it is indeed sorely endangered.

Problems of the rules-based international order

A 2015 Chatham House paper singled out three interconnected problems of the rules-based international order: legitimacy, equity and complacency.

First, "rules must be visibly observed by their principal and most powerful advocates." US legitimacy was undermined first by its invasion of Iraq, then further by the failure to close Guantanamo Bay; the US Senate

report on the use of torture; the use of presidential authority to order lethal drone strikes on adversaries in the Middle East and Pakistan; and the exposure by whistle-blower Edward Snowden of illegal US espionage activities over the internet. "The danger today is that this questioning of US global leadership has opened the space for other countries to pursue a 'might is right' approach to their own policy priorities," the paper concludes.

Equity is called into question if a rules-based order is perceived to work for a minority, and not the majority. The world economic order had always distributed benefits unequally, but the global financial crisis of 2008-9 had made the structural weaknesses of the system, and the unfairness of income distribution and austerity, much more apparent. That was particularly true in the European Union, where the backlash against austerity compounded dissatisfaction with EU migration policies. The rise of populist nationalism was one result.

As for complacency, it was found in the sheer success and longevity of the rules-based order as the "natural order of things" for seven decades. "Global free trade regimes, UN Security Council-sanctioned interventionism, human rights activism, and anti-censorship campaigns are elements of a transformative agenda being actively pursued by Western states and societies. What many in the West see as an attempt to spread the benefits of modernity is perceived elsewhere as an aggressive bid for dominance." The backlash to the metropolitan liberal agenda has come not only from more conservative and authoritarian regimes abroad, but also from conservative electorates at home.

These three issues are serious but need not be fatal. Revision of the rules to ensure relevance and consistent application of the rules could help the survival of the rules-based order.

A deal-based order

Philip Shetler-Jones, international security programme leader at the World Economic Forum, warns about the substitution of a new “deal-based order” for the existing “rules-based order”. The huge transfer of economic power from west to east, and reduction in the relative dominance of the US and Europe, has seen the US become “less willing, and perhaps also less able, to perform the global policing role.” President Trump has made it clear that ‘America First’ means reformulating alliance relations and trade deals “to give America a better deal”.

Even the Europeans are behaving in a deal-based, not rules-based way. Their deal with Turkey on restraining the refugee flow was a blatant deal: and almost certainly an illegal one.

Deals are by definition “narrow, bilateral and transactional”, says Shetler-Jones. They are more fragile, and compliance is much harder to monitor or enforce. Deals are less transparent and accountable, and they are more blatantly open to shaping by power dynamics.

Replacing a rules-based order with a deal-based order should be anathema to both the EU and Australia. But how can they avoid or prevent such a shift in behaviour? There lies the nub of their challenge. •

DID YOU KNOW?

Australia and the EU are working with other partners to improve development coordination in the Pacific

Australia and the European Union are both members of the Pacific Region Infrastructure Facility (PRIF) a multi-agency coordinating mechanism aimed at improving the delivery of development assistance from donors and development partners to the infrastructure sector in the Pacific region. This engagement is important, given that Australia and the European Union (with its Member States) are currently two of the top three aid donors in the Pacific region.

Australia-EU cooperation on security, foreign policy and development

By Peter Jennings

Peter Jennings is the Executive Director of the Australian Strategic Policy Institute and a former deputy secretary for strategy in the Defence Department. Mr Jennings is a member of the EU-Australia Leadership Forum Multi-Stakeholder Steering Committee.

Writing more than 18 months ago for the book which was launched on the occasion of the 2017 EU-Australia Leadership Forum in Sydney, I argued that: 'After years of benign neglect Europe is re-emerging with higher priority in Australian thinking on security, foreign policy and development.'

Towards the end of 2018 I would argue that assessment remains true. Indeed, if anything, there is an even sharper set of strategic imperatives that should drive Australia, the EU and European countries closer together.

So what are the factors driving closer cooperation? I count five big strategic risks or problem areas: China, Russia, cyber security, Donald Trump and Western democratic malaise. Interestingly, these risks are wickedly interconnected and they all force the decent democracies of the planet to think harder about how we can protect our interests.

The world is reluctantly coming to the realisation that China isn't just a massive growth opportunity but also a nationalistic, Leninist, authoritarian state with vast and growing military power and an agenda to remake the world order to suit the agenda of the ruling Chinese Communist Party. The days of Deng's peaceful rise are over. The challenge is acute for Australia because we have allowed ourselves to become so economically dependent on China that just quibbling about their aspiration for regional dominance seems offensive to some.

But pushback is happening. Parliament has enacted legislation modernising Australia's espionage laws in ways that may curb China's covert and at times overt influence operations in domestic politics. There is a stronger political sense that Australia must do more with our Pacific island neighbours and in South-east Asia to counter Beijing's rapidly growing strategic dominance.

For many Europeans, China is still a long way away and there is perhaps still a tendency to look for economic upsides rather than strategic risk. The problem is that the more one dives into market opportunities the closer one gets to the risk factors. We are already seeing some European countries getting worried about how far Chinese investment should be allowed into critical infrastructure and about how to protect intellectual property. In summary, the EU and Australia have a common interest to better understand China, to share strategies for countering undue influence and, in Australia's case, to build greater market diversity to reduce China's dominance in our economy.

Russia's economy is about the size of Australia's, but its nuclear capability, rapidly modernising conventional military and an assertive, revanchist foreign policy makes Moscow a strategic threat to Europe and to Western interests more broadly. Russia is a lower priority for Australia but we remain an espionage target and share Europe's outrage at Russia's assault on Ukraine, the chemical weapons attack in the UK, and the shoot-down of MH-17 in July 2014 among other violations of the international rule of law. The emerging Russia-China connection needs watching as both countries seek to disrupt the global order and to promote a nationalism-fuelled authoritarianism.

Russia and China are two key actors behind threats to cyber security, which of course has global reach and are particularly damaging to developed economies. As 5G cellular mobile communications becomes the backbone of the internet of things and, in effect, the most critical element of critical infrastructure everywhere, Australia and the EU should ramp up our collaboration on cyber security. Protecting against intellectual property theft is one priority, while a second must be to assure the security of our electoral systems against manipulation in ways that undermine the confidence of voters. A third priority area must be to establish more effective protection for cyber enabled critical infrastructure from being damaged by 'malware' – that is to say software bombs deployed by opponents.

Just when the West needed an American President of the calibre of a Roosevelt, Eisenhower or Reagan, we got Donald J Trump! He has become stronger in office and appears bent on undermining so many of the post-war institutions that built European and global stability. I identify Trump as the problem rather than the United States because so much the system (or the swamp as Trump calls it) is intent on keeping America internationally engaged, supporting allies and promoting the global commons. Trump's arrival means that Australia and Europe and other consequential democracies like Japan and India must work harder to

promote our shared security interests – and in effect to be the better burden-sharing allies, that Trump claims to want. Whatever America's future trajectory, it seems to be that the democracies must do more to promote their own strategic interests, which again makes the Australia-EU connection more relevant.

Finally, there is the democratic malaise sweeping through all our countries; building mistrust in politics and pushing supporters to more extreme political groupings. Australia and the EU should use our shared values to tackle the root causes of the political disaffection that gives rise to weak and distracted governments and disrupters of the Trumpian kind.

When the world gets more risky, the democracies should get closer and that is indeed what's happening with the Australia-EU connection. The Australia-EU Framework Agreement signed on 7 August 2017 by the then Foreign Minister Julie Bishop and the EU High Representative, Federica Mogherini, has been approved for ratification by the Parliament's Treaty Committee and should be enacted soon. A web of government-to-government interactions across a vast array of policy areas points to practical connections between Australian and European politicians, officials, academics and business leaders.

Much more can and should be done to build practical ties in defence, foreign affairs and development cooperation. Surely though and urgent task should be to work more closely to overcome the five big strategic risks and problem areas I have outlined above. The challenge for us all is to do some hard policy thinking about what more Australia, the EU and the consequential democracies can do to strengthen our own defence and security positions in the face of rising authoritarianism, cyber connectivity and democratic drift. •

Europe is well equipped for challenge and change

By Marie Mendras

Dr Marie Mendras is Professor at Sciences Po's Paris School of International Affairs, and Research Fellow with the National Centre for Scientific Research (CNRS) in Paris.

In a time of global turmoil and in the lead-up to European Parliament elections in May, the EU is facing serious political and security challenges: immigration, a new “populist” coalition government in Italy, uncertainty in Germany, Brexit negotiations, Donald Trump’s disturbing initiatives, and Russia’s strategy of intervention and subversion to name a few.

The argument I wish to defend is that the European Union has the capacity and political will to resist negative trends, and should play a more significant role in Western security. My definition of the West is global and includes all democratic allies from Europe to North America, Australia, New Zealand, and Japan.

Collective is strong

Contrary to “politically correct” opinions, multilateral institutions may prove more resilient and more strategic than the Member States that compose them. The EU is not only the aggregate of 28 nations, but also a collective body. And this 500-million-person political, economic and judicial organisation is the richest economic region in the world. Most EU countries belong to NATO, the most sophisticated political and military alliance ever created. A number of neighbours are closely integrated in the EU space, like Switzerland and Norway, or are members of the Atlantic Alliance, like Norway and Turkey.

From its very inception in the 1950s, the European Community has promoted a

supranational system, respectful of national diversities. It has always kept doors open to new members. Because of their dedication to peace and security, European nations pay close attention to neighbouring countries. They have adopted strategic plans toward the Eastern partnership countries and Mediterranean neighbours. The EU remains a very attractive prospect in Tunisia, the Balkans, Eastern Europe, Ukraine, Georgia and Moldova.

The EU’s strength and attractiveness is based on its common public policies, institutional capacity (including European law and court), and commitment to peace, rule of law and economic development in respect of social justice and human security.

The EU’s principles and values, as well as actual practice and forward-looking strategy, have given force and adaptability to the collective institution. What many denounce as Europe’s flaws have proved to be its deep resource, including its immunity to hare-brained decisions: a consensus method that calls for intense discussion – even to breaking point such as with the Greek crisis – and its commitment to compromise accepted by all. When a

policy is approved, EU institutions can exert pressure on Member States to see the decision implemented. Common policies can result in a cumbersome process, and tactical failures, but, as it is essential to reach a consensus, each party makes concessions. Consensus building is a modern, effective form of power.

The force of the multilateral process resides in its very collectiveness. The common decision belongs to the supranational institution, not to national states and governments. For instance, after the annexation of Crimea and intervention in Eastern Ukraine, the EU easily came to the decision to impose sanctions against targeted Russian individuals and organisations. The 28 have maintained, and re-voted, these sanctions several times since 2014. Even Viktor Orbán would not go for Hungary's veto, because of the political cost of being against all.

Regional and global security challenges

The European Union was created with the explicit goal of promoting peace, solidarity and common prosperity. It is now becoming an effective international actor in the fields of climate change, energy security, information security and social justice, in particular the struggle against inequalities.

Europeans want a world that is not driven by conflicts. As they cannot insulate themselves in a space of their own (a temptation for the English and the Americans), the peaceful resolution of disputes is the only reasonable option. Belonging to a wider space, beyond national boundaries, is a reality that cannot be reversed.

What Donald Trump can do – when Congress, courts and citizens do not stop him – cannot be done by a European far right, or “illiberal” leader precisely because he/she is constrained by EU obligations and legislation. To re-erect walls and trade barriers, short of a full exit from the EU, is very difficult to envisage. The immigration crisis of 2015-16 was a big test, where a few governments broke the solidarity consensus and

closed their borders. Eventually, the EU came to an unsatisfactory out-of-crisis solution, but overcame the institutional deadlock.

Brexit remains an exception. Demagogues in Italy, Hungary and Poland, will not take the risk. They cry out a nationalist, xenophobic discourse, and impose regressive policies at home, but lack the political or economic resources to cut their country off from the European market. Brexit is harming the UK much more than it is harming the EU.

In Europe, values are a guide for common policies, and coordinated action. But democratic values are not a toolbox, and do not provide us with guidelines and instruments in negotiating with Russia, or any other non-democratic government. Such regimes openly reject the principles we deem “universal” and defy our conception and practice of rule-of-law government. Gone are the days of trustful cooperation with Russia, in the late 1980s and early 1990s.

The conflict in Eastern Ukraine, and more dramatically the devastating war in Syria, together with the unprecedented migrations of refugees from Syria, Iraq, Libya and Afghanistan, have changed Europeans' perceptions and policies. The security challenges we face today are very significant. We can no longer pretend that Russia plays the role of honest broker, or that the USA under Trump will be up to its responsibilities and commitments as the leading economic and military power.

The EU can take on a bigger and broader international role, and wield more influence, by deconstructing old blueprints and taking the lead in a number of key issues, notably ecology and human security. Currently, there is a window of opportunity to engage in innovating thinking, make propositions, and take initiatives with trusted partners, from Australia to Japan, Canada, and beyond. •

The EU and Australia: Shared interests, shared opportunities

By Tim Costello

Rev Tim Costello AO FAIA is Chief Advocate of World Vision Australia, Executive Director of Micah Australia and a member of the EU-Australia Leadership Forum Multi-Stakeholder Steering Committee.

Geographically the European Union and Australia lie at opposite poles of the world, and at first glance they seem quite disparate. Yet the two have many shared interests, shared values and most importantly, shared opportunities at this particular time in world affairs – going well beyond their large mutual trade and investment relationship.

Across the world, nationalism, protectionism and isolationism seem to be rising – trends that are both self-defeating and a distraction from the most urgent challenges the global community face. In fact, the much-discussed nationalist-globalist debate is a false dichotomy that misses the point that individual states, regional groups, cross-regional alliances and global institutions are all relevant and necessary if we are to address our most pressing tasks.

The EU is the outstanding model in the world of governments building the institutional architecture, and acting constructively and nimbly, on all of these levels – from the local to the global. Without that clever architecture, and without that agile engagement, we cannot successfully meet such critical issues as the urgent threat of climate change, the humanitarian impact of large-scale refugee flows, and the continuing need for sustainable development to reduce poverty in the least developed countries. All these priorities demand that those international actors strive for a bigger and clearer vision, stay the course of international cooperation, and intensify their efforts.

The inward-looking nationalist trend is not inevitable and we should be actively seeking to reverse it where possible. In the present global environment, I believe Australia and the EU have a common cause. We should, together and with like-minded countries, be demonstrating leadership for global engagement and cooperation. Most importantly, we do not just need a common voice, but should lead by example in practical actions.

The Pacific region is an important arena where the EU and Australia both have significant interests and presence. The Pacific countries are Australia's nearest neighbours, while for Europeans they are far away. Yet Europe has close links with the Pacific – economic, cultural and constitutional – and the EU and its members constitute the Pacific's third largest source of development assistance after Australia and Japan.

But the EU's influence and contribution is not just monetary or quantitative, and not limited to official aid programs. The European contribution to aid in the Pacific is financially substantial, but its quality is just as important.

While not neglecting economic growth, the strong complementary focus on climate change, resilience and sustainability is most appropriate to the special conditions of this region. So also is the emphasis on gender equality and ending gender-based violence.

It is also important, especially for the small island states of the Pacific, that they are engaged with multiple partners and donors. The danger of total dependency or being captured as a client state by a single dominant patron is very real, and the European presence along with Australia and other OECD members, as well as emerging partners like China, is very helpful.

Beyond the regional dimension, Australia can also look to the EU on climate change policy and finance, and emissions reduction. Australian policy in this area has been notoriously erratic, prone to exploitation for short-term political gain and subject to sudden change as political winds blow. Australia's position on reductions has been lukewarm and equivocal. Dismissal of IPCC views and casual assertions about being well on track to meet Paris commitments are unconvincing.

In recent years both Australia and Europe have had to deal with large migration flows and the plight of refugees. In fact, the direct impact for Australia has been much smaller, but in both cases the issue has been politically fraught and policy has failed to address the human needs. Yet despite the internal political pressures, many European leaders have stood up strongly against kneejerk anti-immigrant sentiment. Both in immigration policy and humanitarian action they have been prepared to make real commitments, even if it involves political risk.

For Australia, there is a clear lesson here: that political maturity and realism do not exclude compassion. But Europe's experience also shows that dealing with the challenges of migration and refugees cannot be successfully achieved by unilateral action, quick fixes, draconian punishments and closed borders. Instead it shows the importance of genuine regional and cross-regional cooperation around migration and refugees.

The stance I envisage for Australia is not necessarily a reflection of the Australian Government's positions at present. But looking beyond the political predicament of a single moment in time, I believe it is a stance that both advances Australia's own interest in a secure, sustainable and prosperous future for itself and its regions, and captures the potential contribution we can best make given our resources and strengths.

I see the European Union and its Member States as vital partners and valuable models in promoting such a positive agenda, with lasting benefits to its own people and the people of our own region. ●



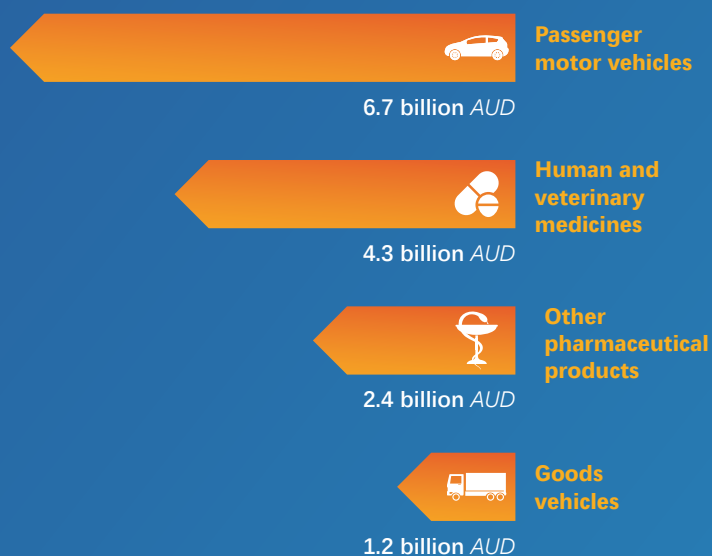
Trade and Investment

Goods trade: Trade between Australia and the EU (2017)

Top 4 Australian exports to the EU



Top 4 European exports to Australia



In 2017, the EU was Australia's **largest** foreign investor, responsible for one third (**AUD 1,087.9 billion**) of foreign investment.



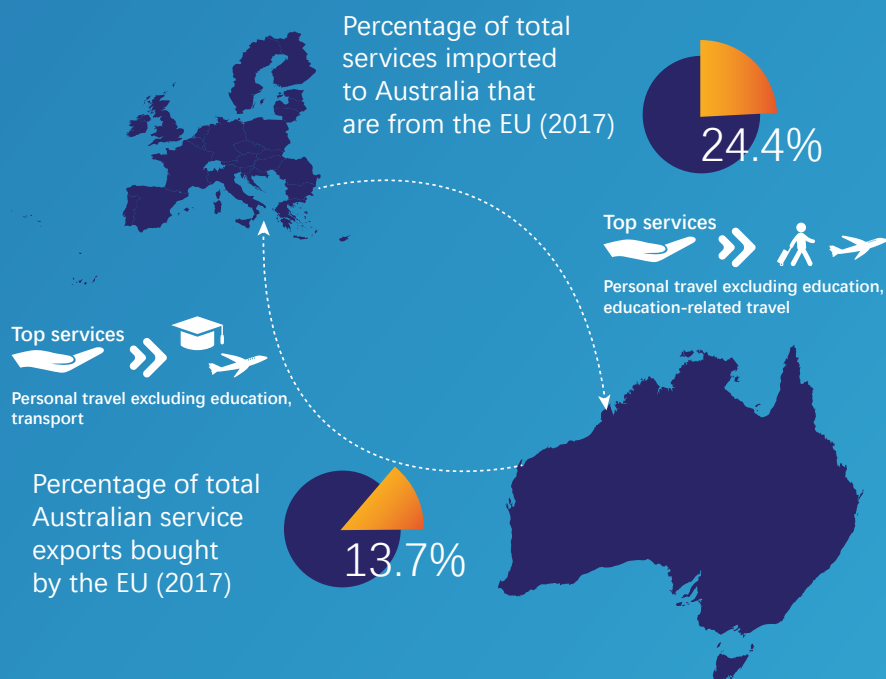
DID YOU KNOW?

EU-Australia economic interaction is strong and vibrant

In 2017 Australia was the EU's 22nd biggest trading partner in goods, while the EU was Australia's second largest goods trading partner after China. Total trade in goods for 2017 was worth €47.7 billion consisting of €13 billion of Australian exports to the EU and €34.7 billion of imports from the EU to Australia.

Trade in services between EU and Australia in 2017 was worth €22 billion with Australia importing €14.3 billion of services from the EU and exporting €7.7 billion.

Service economies:
Australia and the EU
buy and sell services
from one another.



EU-Australia FTA: From trade tensions to fruitful engagement

By Philomena Murray

Professor Philomena Murray is Jean Monnet Chair ad personam at the University of Melbourne.

Trade tensions framed the parameters of the EU-Australia relationship from the 1960s until the 1990s. Increased alignment came about as Australia broadened its engagement beyond the USA and the Asia-/Indo-Pacific, and as the EU developed into an international actor with clout, influence and impact in areas that are core to Australian economic and diplomatic interests.

Impediments to engagement

The past is discernible in Australia's relationship with the EU due to two key factors. The first is the tension regarding agricultural trade, characterised by Australian criticism of EU agricultural trade protectionism since 1973. The emphasis on agriculture since the UK's accession to the then European Economic Community (EEC) has meant that the memory of Australian primary goods being excluded from European markets still resonates. The asymmetry of the trade relationship, whereby Australia had a trade deficit with the EU, has further formed part of a negative domestic perception of the EU. The second factor is the influence of the UK, which had a substantial impact on how Australian policy communities perceived the EU, through a largely Eurosceptic lens of a country that was reluctant to embrace many aspects of the EU's governance and values. These two factors have contributed to perceptions of the EU as obstructionist.

In the four decades prior to the late 1990s, engagement was characterised by tense encounters and diplomatic quarrels regarding agricultural trade. Forthright criticism emanated from Canberra regarding the Common Agricultural Policy's distortion of world markets from the 1960s onwards. This condemnation was evident among the policymaking community and the media, and was consistent with a widespread perception of the EU as a type of bully in the global trading playground.

This perception came about for three main reasons. Firstly, Australia, as a major world agricultural and agri-food exporter, sought a level playing field in international markets. Secondly, until British accession to the EEC, Australia had depended on the UK as a major export market for agricultural and agri-food produce. Thirdly, the Common Agricultural Policy dominated EU policymaking both internally and in its relationships with third countries.



DID YOU KNOW?

The EU and Australia have a mutual recognition agreement on conformity assessment

The agreement covers eight sectors: automotive products, electromagnetic compatibility, low voltage equipment, machinery, medical devices, pressure equipment, telecommunications terminal equipment, and good manufacturing practice inspections of medicinal products. The EU and Australia also have an agreement on trade in wine which includes provisions for the reciprocal protection of geographical indications of wines from the EU and Australia.

Although two-way trade has long been strong, it is asymmetrical, with a large Australian trade deficit. The EU did not seek or depend on Australian exports. Indeed, there was little EU official attention paid to Australia, which was primarily regarded as an unhelpful critic of agricultural protectionism in both bilateral and multilateral forums. There was relatively little to drive an exploration of joint policy options in other policy domains, until the 1990s.

Drivers of engagement: changing perceptions

Australia's interest in the EU has altered as the EU became an important political, foreign policy and security partner. The Australian hierarchy of the USA, China, the Association of Southeast Asian Nations (ASEAN) and FTAs with Asia now also comprehends the EU. This is due to a number of factors, with cooperation ranging across multiple sectors and common concerns. Certainly, the relative retreat by the USA under President Trump from both multilateralism and engagement in the region has meant that Australia is actively strengthening ties with other partners.

The relationship is flourishing in both material interests and ideational values. It no longer has a backstory of the burden of memory, but a focus on shared interests and values, and the strategic management of Australian interests. The relationship is now characterised by increased summitry and symmetry—summitry in bilateral meetings and multilateral and regional encounters, including the Asia Europe Meeting, and symmetry as the trade relationship moves towards the negotiation of an FTA. Although the past still echoes, Australia has achieved fruitful engagement that enhances its national interests and international trade commitments. At the same time as Australia developed a regional strategy towards its own region, it also achieved a new bilateral regional relationship with a major regional actor – the EU.

Socialisation at many levels and in summitry serves to undermine potential negative perceptions of each other's negotiating positions. Equally the development of strong personal ties among leaders. A major driver has been a willingness to develop dialogues, which often developed into cooperative agreements or regular consultations and joint committees.

The FTA is perceived as an effective means of reaching out to each other. The EU's Commissioner for Trade, Cecilia Malmström, stated during a European Parliament debate on 25 October 2017 on the negotiating mandate for trade negotiations with Australia and New Zealand that: 'This is another part of our work to build bridges, not walls, with a circle of friends who share our values and this is also very much a political message, as well as an economic and trade policy question'.

The present: material and ideational concerns

When we reflect on Australia and the EU, it may be useful to regard them as critical friends that share many interests yet express criticism of each other regarding climate change or agriculture and the Euro, for example. Perceptions of the EU in Australia have become more reflective of firm cooperation than in the past, with the EU not simply regarded as an agricultural trade irritant.

The decision to launch bilateral FTA negotiations reflects the current strong and solid economic relationship, and consolidates the momentum created by the Framework Agreement.

It also builds on leaders' cooperation and officials' dialogues across a number of sectors and specific agreements. An FTA will ensure that the trade and investment relationship reaches its full potential by removing trade barriers and expanding service linkages and investment ties, while enhancing 'regulatory cooperation in specific sectors of interest to business'.

The past legacy of agriculture will have relevance in the FTA negotiations as Australian primary producers seek increased market access (lamb/sheep meat, beef and goat meat, for example) and as some EU primary consumers seek to limit such increased access, particularly in France.

But there is mutual recognition of interests. There is some alignment of values and norms. The interlocutors are developing the habit of cooperation. As reliable partners yet critical friends, they appear to be on track, with active policy community engagement, cooperative relationships and language reflecting increased mutual understanding. •

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Mutually invested: Australia's investment relationship with the EU

The EU's investment
in Australia (2017)



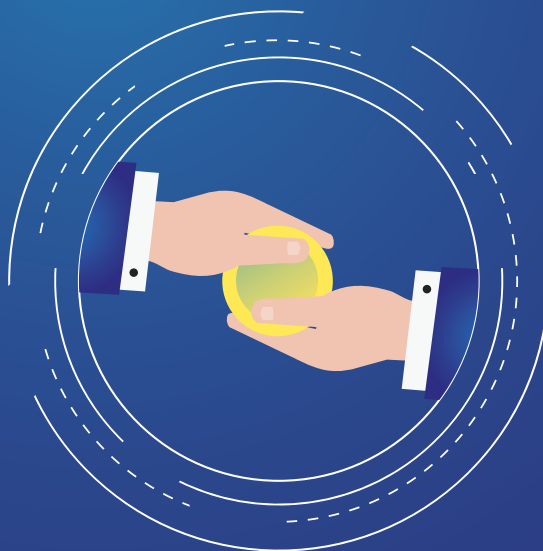
AUD 612 billion



Australia's investment
in the EU (2017)



AUD 1,088 billion



The Australia-EU trade and investment relationship

By Simon Crean

The Hon Simon Crean is Deputy Chair of the European Australian Business Council, as well as the Chair of the Australian Livestock Exporters' Council, a Member of the Council of Monash University, and a Director of Linfox. Simon Crean is a distinguished Australian politician, having served as Leader of the Australian Labor Party and Leader of the Opposition.

As Australia's Trade Minister during the Doha round, I engaged with my European counterparts in our joint efforts to positively transform the multilateral trading system under the leadership at that time of Pascal Lamy. Despite our best efforts, when Doha could not be achieved, it became obvious that the European Union and Australia needed to come together to deepen our bilateral ties based on our shared commitment to free and fair trade.

Australia and the European Union had already been laying the foundations for a new economic partnership with bilateral agreements such as the Wine Agreement, finalised a decade ago, the more recent Crisis Management Agreement, and most importantly the treaty-level Framework Agreement which collectively enshrine these common interests and shared values, and thereby pave the way to an ambitious and comprehensive Free Trade Agreement (FTA).

The European Australian Business Council (EABC) has long-advocated for this missing piece of the bilateral architecture to be established, and we were delighted to host EU Trade Commissioner Cecilia Malmström in Sydney in June 2018 on the occasion of her visit to Australia to formally launch the FTA negotiating process.

The economic relationship is already strong and dynamic, with two-way trade amounting to over \$A100 billion and investment totalling \$A1.7 trillion. Building on this, the trade agreement will further facilitate business linkages and provide companies with a stronger framework for

pursuing business opportunities. It will constitute the necessary legal framework to liberalise trade in goods and services and improve conditions for investment; develop better mechanisms for aligning the EU and Australian regulatory systems, and allow for the mutual recognition of skills and qualifications, among many others.

The FTA will be a game changer for the 2,200 European companies operating in Australia, and further encourage the substantial and increasing volume of Australian investment flowing into long-term, economic capacity-building projects across Europe.

There are three sectors in particular where European companies have found strategic business opportunities that are already doing much to broaden and deepen the economic relationship. The first is in the renewable energy sector where European expertise and investment is at the forefront of building Australia's clean energy capacity to help meet its Paris emissions reduction commitments.

DID YOU KNOW?

The first official visit to the EU from an Australian Governor-General took place in 2013

The Hon Quentin Bryce AC CVO was Australia's first female Governor-General. She was also the first Australian Governor-General to make an official visit to the EU. The aim of her 2013 mission was to promote closer trade and investment relations between Australia and the EU.

The second sector is infrastructure, where Australia's strongly growing population (in 2018, the population crossed the 25 million mark – with one of the highest growth rates in the OECD), is driving an unprecedented level of public investment in economic and social infrastructure worth \$A180 billion over the next four years.

The third sector is in security and defence collaboration where, again, unprecedented levels of investment are occurring in Australia. Through its Integrated Investment Plan, the Australian Government is investing over \$200 billion over the next decade to modernise its defence industry in partnership with many of Europe's largest defence contractors. Through these contracts, Australia is engaging in a long-term relationship with companies whose technology, processes and skills will contribute to shaping Australia's defence capability, with broader benefits flowing through the entire economy.

An FTA which helps to optimise conditions for business flows will further unlock massive potential to do more – for Australia to be a strong partner for Europe in the strategically important Asia-Pacific region, and for

Europe to welcome Australian companies and investors seeking high quality and stable business opportunities in the world's largest single market. In particular, FTAs do much to remove the obstacles which will help SMEs expand into new markets and secure their place in valuable global supply chains.

Our bilateral agenda should also include ways to significantly expand collaboration on research and innovation, including through the European Union's next framework programme Horizon Europe, where there are obvious complementarities in areas such as health, the bio-economy, earth and marine sciences, space, and many others.

With the FTA negotiations now launched, the EU and Australia should proceed to capture the momentum and demonstrate that the pathway to prosperity is by eliminating barriers and borders, not by building them. As developed countries, our ability to enhance our collaboration and jointly identify solutions to global shared challenges, including the future of work and skills, and climate change, will determine the long-term prosperity of our economies, and the well-being of our societies. ●

EU-Australia free trade talks: Services essential

By Pascal Kerneis

Pascal Kerneis is recognised globally for his expertise in international trade in services. He is the Managing Director of the European Services Forum and a member of the EU-Australia Leadership Forum Multi-Stakeholder Steering Committee.

The European Union and Australia have launched negotiations for a so-called 'deep and comprehensive free trade agreement'. While much of the attention goes to the possibly contentious issues related to agricultural trade, the service sectors are of greater importance to bilateral trade between the two parties. This will need to be reflected in the talks.

The EU is by far the biggest global exporter of trade in services with US\$1009 billion worth of exports in 2017, representing more than 25 per cent of global exports. If we take intra-EU trade into consideration, EU countries exported US\$1.9 trillion of services in 2017, representing more than 37 per cent of all world exports. With such an important share of the EU's international trade attributed to services, it is obvious that any EU Free Trade Agreement (FTA) without substantial discipline and commitments to services will not make much sense.

The EU is a significant exporter to Australia with a total volume of €51.2 billion (AU\$82.94 billion) in 2016, 36.7 per cent or €18.8 billion of which was services exports. Australian exports of services to the EU are also significant at €8.3 billion, representing 38.8 per cent of total exports to the EU, even greater than agricultural trade. When we look at the Australian figures, world exports in terms of balance of payment and trade in goods (commodities, agriculture and manufacturing) represent 82 per cent of total exports, leaving trade in services a small 18 per cent.

But the new way of calculating international trade in terms of value added – the Trade in Value Added (TiVA) indicators and database developed by the Organisation for Economic Cooperation and Development (OECD) and the World Trade Organization – shows that 46.1 per cent of total Australian exports are services. According to this database, 36.3 per cent of Australian goods exports are services embedded into exported goods. When we look at the same figures for the EU, 60.5 per cent of all EU exports are services, and 39.1 per cent of the value of manufactured goods exported by the EU are "services around the products".

These new elements need to be taken into consideration during the trade negotiations. The fact that the two parties were major proponents of plurilateral negotiations aimed at a Trade in Services Agreement (TiSA) – that unfortunately stalled in November 2016 after the US elections – is a strong signal that negotiators are aware of this, but it will now need to be integrated at the political level in the framework of the bilateral FTA.

The dimension of services will also need to be closely analysed when studying the



impact of Brexit on EU trade policy and its possible influence on Australia's interest in a strong EU FTA. Indeed, many Australian exporters and investors in the EU presently trade via the United Kingdom, and a significant share of EU service exports to Australia come from the UK. This will remain since the UK is a major player in international trade in services, ranking second after the US, representing 6.6 per cent of world trade in services in 2017 and 14.6 per cent of EU services exports in 2016 with US\$148 billion.

Taking all of this into account, what should the content of the EU-Australia FTA for trade and investment in services be? In its new Free Trade Agreements, EU usually understands an agreement that includes trade in:

- goods: tariffs cuts on manufactured goods (+95 per cent), agriculture and commodities, non-tariff barriers like standards and rules of origin;
- trade in services: cross border trade and movement of people;
- investment: pre-establishment market access including service sectors and all other economic sectors like agriculture, mining and all the manufacturing sectors;
- intellectual property rights: copyrights, patents and data flows;
- public procurement: including central, regional, local, and public entity services;
- competition;
- state-to-state dispute settlement;
- regulatory disciplines and cooperation; and
- a so-called 'sustainable development chapter' that will establish rules on labour and the environment, as well as on other domains like trade and corporate social responsibility, trade and climate change, trade and corruption, trade and gender, etc.

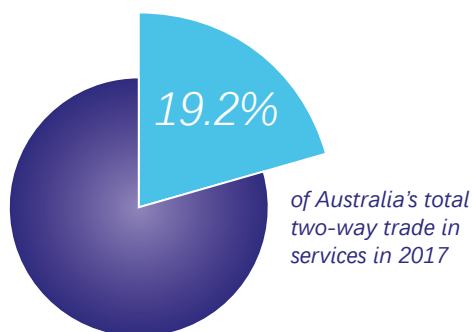
When specifically focusing on trade and investment in services, the negotiations deal with the following elements: the market access pillar, regulatory disciplines and cooperation, the movement of natural persons and the mutual recognition of qualifications.

Regarding the market access pillar, it is important to underline that the current bidding level of legal international commitments between the two parties are the commitments taken in the framework of the WTO's Uruguay Round—in particular those taken in the General Agreement on Trade in Services (GATS) in 1995, and subsequently in 1997 for basic telecoms and financial services.

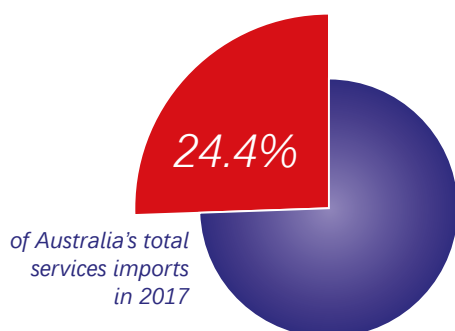
In the bilateral talks, the parties have decided to adopt the scheduling of market access and national treatment commitments using a negative list approach. This is the preferred method of EU and Australian service industries, as well as of the Australian government, but it is a method that is not always well understood and appreciated by the EU member states or the European parliament. However, when accepting to use this method, the EU opted for a "full" negative list approach, listing restrictions at the level of the EU Member States, which is not the case in Australia, where restrictions at sub-federal level are not explicitly listed. The parties should start the negotiations at least at the level of their best tabled offer in the framework of the TiSA negotiations of November 2016. But this could be further improved by replicating or improving on the EU's commitment to Canada in the recently signed CETA (Comprehensive Economic Trade Agreement) and Australia's commitments in the Comprehensive and Progressive Trans-Pacific Partnership (TPP) that was signed on 8 March 2018. For market access in services sectors, the parties should aim to remove all equity caps, with negotiated exceptions; bind their current regulatory practices, with negotiated exceptions; and adopt a standstill and ratchet clause for many sectors to ensure future autonomous reforms.

The EU is the **largest** trade in services partner for Australia

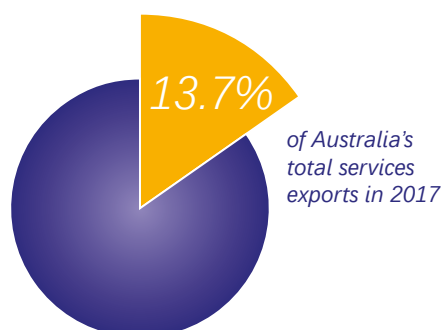
LARGEST TRADE IN SERVICES PARTNER



LARGEST SOURCE OF SERVICES IMPORTS



SECOND LARGEST EXPORT OF SERVICES MARKET



Another very important element of the negotiations will be public procurement. There is no doubt that the EU will look for increased public procurement market access in the services sectors: construction; architecture and engineering; cleaning and catering in administrations and all public entities; insurance; telecom and IT; security; and the environment.

The fact that Australia has been accepted to join the World Trade Organization Agreement on Government Procurement (GPA) in October 2018 is a good signal, but the EU will likely ask for more, requesting better access to Australia's sub-federal level and all relevant public entities.

The parties also negotiate the adoption of a strong horizontal chapter on disciplines for domestic regulation. That is, transparency of regulation, prior consultation with stakeholders, impact assessment, transparency of licensing requirements and procedures. Like in TiSA, the service chapter or annex will also include some sector specific disciplines in regards to telecoms, postal services, energy, environment, maritime and air transport, financial services, e-commerce, cross border data flow and sector specific regulatory cooperation or 'living agreement'. The disciplines on State Owned Enterprises (SOEs) will also certainly apply to service companies.

The negotiations for the commitments of the so-called "movement of natural persons" are also a key priority for EU and Australian businesses in this FTA. The principle of the matter is to negotiate access to skilled business persons for a temporary period only, not for permanent migration. Economic operators, services and non-services are all interested in getting faster business visa and work permit delivery procedures.

To conclude, in some services sectors, getting access for companies and natural persons is not always sufficient to do business. This is notably the case for professional services like accountancy, auditing, architecture, engineering, law and medicine. The agreement will therefore try to achieve some mutual recognition in professional qualifications, which could be inspired by the EU-Canada CETA. •

An ambitious approach for the Australia-EU free trade negotiations

By Jennifer Westacott

Jennifer Westacott is Chief Executive of the Business Council of Australia and a member of the EU-Australia Leadership Forum Multi-Stakeholder Steering Committee.

With international trade tensions increasing and the voices against free and liberal trade becoming even louder, it is more important than ever for Australia and the EU to hasten efforts to achieve the Australia-EU Free Trade Agreement (FTA).

Australia may not be the EU's largest trade partner but make no mistake: the achievement of an FTA between Australia and the EU will send a powerful signal internationally about our combined commitment to cooperative approaches and rules-based international trade.

Achieving a high-quality FTA would turn heads and put momentum back onto the agenda for liberalisation. It would also help reduce the impact of mutually increased tariffs between US and China.

Australia and the EU share a significant relationship. Collectively, the 28 states of the EU are Australia's largest source of investment.

The 'EU-28' is also Australia's second largest goods and services trading partner. Even after Brexit, the EU will remain one of our most significant economic partners.

The Business Council of Australia – which includes the largest companies in Australia, and many from the EU – wants to see the achievement of an ambitious, comprehensive and innovative agreement. We want to see lower barriers and a 'step-change' in the ease of doing business between the EU and Australia.

Adopting a defensive approach, whereby both sides squeamishly anticipate points of political sensitivity and quarantine from the outcomes any area of potential resistance, won't serve either side's interests. We should not waste this opportunity by allowing negotiations to achieve only a narrow range of outcomes where there are 'low hanging fruit'.

Rather, the two sides must signal a more generous approach that shows real leadership and vision – like the post-War European leaders Robert Schuman, the French Prime Minister, and his German counterpart Konrad Adenauer, who in the late 1940s and early 1950s worked together to put the animosities of World War II behind them and realise the European Coal and Steel Community, the forerunner of today's common market and the EU.

Their leadership rose above petty squabbling. Instead of tallying small national gains, they were willing to make substantial concessions to achieve the greater common good of European economic integration.

I urge Australian and European leaders to work in this spirit in the negotiations between Australia and the EU.

There are many areas of likely demand by our European partners that are good for Australia, and which will boost the robustness and competitiveness of the Australian economy internationally.

For example, we should also look to the possibilities of using European product standards. There is no better partner with whom to do this than the EU – it shares a likeminded approach with Australia on consumer protection and on social policy and health outcomes – so I hope that Australian policymakers will be prepared to explore how we could reduce duplication in regulating product standards by referencing equivalent European work.

There also needs to be a willingness to look at, and adjust, some of Australia's outdated tariff and tax measures on automobiles, including the Luxury Car Tax, so that we can encourage the uptake of high-standard and low-emission vehicles.

And I would also welcome the FTA lifting screening thresholds for European investors in Australia, to the levels of those in Australia's FTAs with the US, New Zealand and Chile (A\$1.134 billion).

Just as Australia has much to gain from an ambitious and open approach, so too does Europe have much to gain and little to fear by opening its markets to Australia. We need to see improved access for Australian agricultural products and services in the European market. Australia will only ever supply a part of Europe's consumer demand, but it will be an important additional source of supply and choice. We must always be focused on the fact that the 'cake' will grow, with opportunities for many different producers, if trade is liberal and markets are encouraged to expand.

The FTA promises much. I hope both sides take an expansive and ambitious approach, not a small-minded one. We can't let this opportunity slip through our fingers. •



Australia and the EU: Getting through the window of opportunity

By Richard Pomfret

Richard Pomfret is Professor of Economics and Jean Monnet Chair in the Economics of European Integration at Adelaide University, and Adjunct Professor at the Johns Hopkins Bologna Center.

Relations between Australia and the EU have a star-crossed history. Despite close cultural ties to many European countries, Australian economic perceptions have been blighted by the Common Agricultural Policy, especially since Britain's accession and the obvious negative impact on Australian farmers. Irritants such as French nuclear testing in the Pacific occasionally fuelled the fire.

During the 1960s and 1970s the EU actively used preferential trade agreements as a foreign policy instrument, creating a pyramid of preferences, in which Australia was one of seven WTO members receiving MFN treatment that was effectively least favoured nation treatment. Australia also signed preferential trade agreements, but only with New Zealand and other Pacific islands.

In 1995, both Australia and the EU became charter members of the WTO, with a shared commitment to multilateralism. The EU embarked on reform of the CAP and allowed its pyramid of preferences to atrophy. Australia dismantled its protectionist trade policy after 1983. By the turn of the century, both the EU and Australia had average tariffs of less than 5 per cent.

In the twenty-first century, relations have improved both through increased trade and investment flows and at the policy level. Today the EU is Australia's second-largest trade partner, top market for services exports and largest source of foreign investment. While Australia ranks less highly in EU

trade, Australian brands and investors are increasingly visible whether through iconic consumer goods or megaprojects such as Italy's largest shopping mall being built by Westfield in Milan.

The nature of trade agreements signed by Australia and by the EU has changed in the twenty-first century. Australia embarked on bilateral trade agreements in the early 2000s. Agreements have been signed with a variety of Southeast and East Asian countries, the USA and Chile, and Australia has been negotiating the CPTPP and RCEP.

The EU has also implemented bilateral trade agreements in the 2010s, starting with smaller trading partners: Peru and Colombia, and more substantially South Korea. In 2015 the EU released its Trade for All strategy, setting out a coherent vision for external trade policies.

For both Australia and the EU recent trade negotiations involve deep integration rather than border measures such as tariffs. They concern WTO+ measures that are

agreed to be important but on which consensus has been lacking in the Doha Development Round. They are about reducing procedural or behind-the-border obstacles to international trade, under headings such as trade facilitation, services and investment, the regulatory environment, and so forth. Such agreements are essentially non-discriminatory, for example, simplification of customs procedures or domestic regulations is likely to be applied across the board rather than just to the negotiating partner.

Behind the deep integration agenda lies the major development in international trade since the 1980s. With lower trade barriers and reduced costs of transport and conducting international trade, levels of specialisation have become finer and many goods and services are now produced along global value chains. In Trade for All and in Australian policy documents, the desire to facilitate GVC participation is highlighted as a policy goal.

The April 2017 announcement by the EU and Australia that a joint scoping exercise on a future FTA had been concluded and subsequent events have reinforced the convergence of goals. In particular, with the multilateral trading system under threat, countries need to be seen to reassert their commitment to openness and trade. The EU has concluded agreements with Canada and Japan and Australia has signed the CPTPP and is pushing ahead with RCEP negotiations.

Negotiating deep integration agreements is neither easy nor quick, as both the EU and Australia know from recent experience. The EU commitment to transparency during negotiations and to placing trade in a context of broader commitments will sit uneasily with Australian preferences for confidential negotiations and separating issues such as human rights or climate change from trade. Agriculture will still require hard bargaining on issues such as EU tariff quotas on beef, sheep meat and sugar (that are further complicated by Brexit) and on geographical indicators (is prosecco an Italian place or a grape?), but agriculture is far less important to the Australian economy than it used to be.

On 1 October 2018 in Bologna, the University of Adelaide Institute for International Trade co-hosted with the Johns Hopkins University a Dialogue on Australia-EU relations, which included pre-launch of a book edited by Jane Drake-Brockman and Patrick Messerlin *Potential Benefits of an EU-Australia Free Trade Agreement: Key issues and options* (University of Adelaide Press). Participants in the Dialogue included senior EU and Australian officials, academics and researchers from think tanks and financial institutions. The consensus was that, although modern trade agreements are complex and require years of negotiations, the Australia-EU agreement comes at an opportune time when both sides bring goodwill and a desire to overcome the relatively minor obstacles for the greater prize. ●

The FTA effect for business: The more comprehensive, the more effective

By Gabriele Suder

*Professor Gabriele Suder
is Professorial Fellow
at the University of
Melbourne, Melbourne
Business School.*

Comprehensive Free Trade Agreements result in preferential transaction cost reductions, access conditions, knowledge and network effects that mutually strengthen firms of all sizes and reach, and in both home and host countries. This explains the keen interest of Australian and European business in the comprehensiveness of the forthcoming Australia-EU FTA.

The rationale for corporate internationalisation

For industry, the fundamental goal of internationalisation and international collaborative ventures is to foster firm competitiveness at home and in the global marketplace. The aim is to enhance performance both locally and abroad in the host market, and in subsequent international market locations to ensure corporate survival and future growth. Companies pursue internationalisation strategies for complex multi-layered reasons that typically embrace a market-seeking, resource- or asset-seeking and/ or efficiency-seeking rationale.

Market-seeking motives include the firm's desire to gain and make effective use of access to new markets, follow key customers, and to compete with key competitors in their respective home markets. Resource- and asset-seeking aims to access raw material or intermediary products or services, key market- and internationalisation- knowledge. and/or technical and managerial know-how, well in line with competition or exceeding it. In addition, collaborations as well as direct

investments often allow for efficiencies such as savings in sourcing or production costs or better access to value-factors of production.

Also, locating goods or services close to clients brings advantage. Access to government incentives is enhanced, often jointly with partners, and trade barriers become less relevant in inter- and intra-firm trade of finished and unfinished products. These are also key motivations when firms invest in potentially rewarding relationships they create at home with a foreign partner.

A correlation of commitment and advantage

Firms choose to trade with or invest in a location abroad when seeking direct or indirect gains that enhance their competitive advantage at home and abroad.

Export encompasses the least commitment yet provides insights into international markets and competition. Direct export can be enhanced through indirect exporting, via a partner in a manufacturer's home market. Some of the disadvantages of exporting stem from transaction costs, trade barriers and a lack of scale economies. Yet exporting

for example allows firms with little international market experience to participate in regional and global value chains, creating profitable interdependencies with other firms, as well as revenue, innovation and cash.

A firm that engages more or increasingly abroad may be opting for foreign market access through licensing or franchising: This allows for more international, regional and local knowledge and brand recognition to be obtained, whilst relying mainly on network creation by host country locals.

Often, locating abroad is triggered by an opportunity to follow existing clients abroad. When partnering with a firm from or in a target market, these effects can be accelerated significantly, typically through joint venture, strategic alliance, acquisition or merger (M&A). When a firm decides to enter a market through M&A, its resources commitment is high, its learning and connectivity with the market is deep, yet so are its risks. At this stage, control and ownership of operations is held outside the home country, and hence firms also fully own the advantages that are yielded.

Direct ('greenfield') investment, in which the firm builds up and owns all assets, represents typically the highest commitment to a foreign market, in the form of a wholly-owned subsidiary. Whilst the firm offers itself the best opportunity to engage with and benefit from its foreign market, this also provides the host and home country with additional knowledge creation innovative capacity, global value chain participation, job creation and a variety of economic and social benefits.

A more comprehensive FTA is more effective

Cross-border market entry may be a first move for the firm, or it may be part of an established strategy. The deeper and more diversified the engagement to international markets, the better the chances to counterbalance for example, the adverse effects of tariff policies of the current US Presidency, or Brexit, or positive trends in regionalisation such as the Trans-Pacific Partnership (TPP11).

Location decisions, that is, a firms' decision about which international market/s to target, are made on the basis of existing alternatives. Location decisions get made on basis of previous experience or arising opportunities. Cross-border locations are often determined by knowing people or following another firm's example or network, supported by market research. Often, internationalisation into a given market is enhanced by market similarities such as harmonisation or regulatory convergence efforts, that make the understanding of that market easier.

In the EU, the world's most advanced form of market integration, multinational enterprises favour market share increase through the use of mergers, acquisitions and alliances, that is, operations through foreign direct investment rather than exporting. This is an internationalisation mode that EU firms consequently also favour when doing business with FTA partners. Comprehensive FTAs invite non-EU firms to tap into similar advantages, and to significantly benefit from the extraordinary integration of the Single Market.

All in all, the greatest opportunities of comprehensive FTAs hence reside in the preferential transaction cost reductions, access conditions, knowledge and network effects that mutually strengthen firms of any size and reach, and in both home and host countries. This explains the keen interest of Australian and European business in the comprehensiveness of the forthcoming Australia-EU FTA.

Opportunities truly unfold when FTAs are not only about tariff reductions, or quotas. It is the reduction or elimination of costly non-tariff barriers that, if lasting, are expected to free up significant further market commitment. Also, greater facilitation of labour mobility is part of this, helping firms opt to send their leadership, CEOs and staff of subsidiaries, and experts across borders.

A comprehensiveness can allow firms to effectively utilise the FTA and to strengthen and develop their internationalisation strategies accordingly, to allow for their enhanced capability and performance at home and abroad. •



Research, Innovation and the Information Society

Top fields of EU-Australia research collaboration

73  **erasmus+ Projects**
were supported in 2017 

This resulted in:

195
European students and academics visiting Australia

225
Australian students and academics going to Europe



DID YOU KNOW?

EU Member State and Australian universities have long-established links

Assistance to foster university level exchange is offered at the national and the EU level, the latter via the Erasmus+ Programme (2014-20). Building on the previous Erasmus Mundus programme, Australian university students actively participate in Erasmus+ through the student and staff mobility programme. This type of short-term mobility for students, researchers, and staff allows students to study in a foreign university for 3-12 months and obtain credits which are then recognised at their home institution as part of their degree.

Top fields of EU-Australia research collaboration



To date, the predominant fields of Australia-EU research collaboration have been on:



Health



Research infrastructures



Information and communication technologies



Food, agriculture, biotechnology

On average, European and Australian authors collaborate on around **30,000** *publications* every year



Twenty-first century voyages of discovery

By Peter Varghese

Peter Varghese AO FAIA is the Chancellor of the University of Queensland and a member of the EU-Australia Leadership Forum Multi-Stakeholder Steering Committee.

Today's voyagers of discovery – researchers and innovators – have unprecedented scope to gain strength from their national and cultural differences, so as to deliver enduring outcomes for global society.

When HMS Endeavour left Plymouth in 1768 with instructions to observe the transit of Venus and then secretly seek Terra Australis Incognita, its passengers included a multinational team expected to take new knowledge back to Europe: English astronomer Charles Green, English botanist Joseph Banks, Swedish naturalist Daniel Solander and Finnish naturalist Herman Spåöring.

Modern voyagers of discovery need not submit to such a risky maritime odyssey, but international collaboration will improve their prospects of developing valuable new knowledge and translating it into tangible outcomes for society.

In this short piece I will give a couple of examples, taken from the university I know best: The University of Queensland (UQ). Many more examples could be given in a longer piece.

But first, some numbers, drawn from InCites Clarivate Analytics. During 2012-2017 Australian and EU researchers collaborated on 93,774 peer-reviewed articles and reviews, and Australia was the fourth largest EU collaborator outside the EU – after the USA, mainland China and Switzerland, and ahead of Canada and Japan. Funders of projects involving Australia and the EU

include the German Research Foundation, the EU, the National Natural Science Foundation of China and the National Institutes of Health-USA.

Citation rates (a signal of the relevance of published research to other researchers) for Australia-EU publications easily exceed world averages, to the extent that 4.6 per cent of papers are in the top one per cent of all papers by citation and 23.3 per cent are in the top ten per cent by citation.

There are obvious advantages for Australian researchers in working with colleagues from some of the world's finest research institutions. EU states produced 42 per cent of the world's highly cited publications in the decade to 2016, and many institutions have enviable track records of working with industry to translate excellent research into societal rewards.

Increasingly, Australian researchers have the credentials that make them appealing collaborators. Based on the number of a nation's universities in the top 100 of the prestigious Academic Ranking of World Universities, Australia is third. Although Australia accounts for less than 0.4 per cent of the global population, Australian researchers contribute to 3.9 per cent of all publications. Rates of papers in the top one

per cent by citation are strong – such as in oncology (a popular area for Australia-EU collaboration), where over ten per cent of papers involving Australians and EU co-authors are in the top one per cent.

However, it is widely acknowledged that too much promising Australian research never realises its societal potential because of weaknesses in the innovation system, which include the reward systems for university researchers, insufficient rates of collaboration between the business and research sectors, modest business expenditure on research and development, difficulties accessing early-stage capital, and a small domestic market.

This is where Australian research institutions can learn plenty from the EU, in ways that will benefit the economy and ensure the world benefits from more Australian discoveries.

Researchers and university commercialisation companies, such as UQ's UniQuest, seek European commercial partners for three key reasons: capital, expertise, and market access. An additional factor is that patents filed in one European jurisdiction apply across the EU (this is expected to continue applying in the UK post-Brexit), and that Europe has a culture of respect for intellectual property rights.

A notable transaction involves Inflazome, a Dublin-based company founded on research by UQ and Trinity College Dublin. It attracted up to €15 million in Series A funding from Dublin-based Fountain Healthcare

Partners, and Novartis Venture Funds. This is supporting work on a treatment for inflammatory conditions such as Parkinson's disease and asthma.

And a proven combination of Australian ingenuity and northern hemisphere commercial heft has given many millions of unwell people prospects of accurate and timely diagnoses. A majority of the world's magnetic resonance imaging scanners have been improved by UQ signal correction technology, thanks to licensing arrangements with Germany's Siemens, and General Electric. One of the UQ inventors also contributed to European safety guidelines for hospital and healthcare workers who are exposed to electromagnetic fields.

The challenge is to secure more such partnerships, to broaden society's access to the useable outcomes of high-quality research and deliver benefits not only within collaborating nations but also beyond.

The HMS Endeavour's scientists left a lasting legacy through a collection of more than 1000 Australian plant and animal specimens, which led to the classification of many new species. Today's voyagers of discovery – researchers and innovators – have unprecedented scope to gain strength from their national and cultural differences, so as to deliver enduring outcomes for global society. •

Innovation matters to the European Union and Australia

By Bruce Wilson

*Professor Bruce Wilson is
Director of the European
Union Centre at RMIT
University.*

Innovation matters to the European Union and Australia. In 2011, the European Union proclaimed itself to be the 'Innovation Union', while Australia announced itself as 'powering ideas' in 2009, before adopting a new National Innovation and Science Agenda (NISA) in December 2015.

In the 2014–2020 financial period, the EU has committed €80 billion to Horizon 2020, in order to promote excellent science, new technologies, responses to societal challenges, and closer collaboration between science and industry. Australia has established a new agency, Innovation and Science Australia (ISA), to improve performance on innovation significantly.

Both the EU and Australia are recognised widely for the quality of their science; however, taking this intellectual resource and linking it effectively with industry has been a serious problem, especially in comparison with nations such as the United States and Japan. Australians have become aware painfully of our low ranking amongst the Organisation for Economic Cooperation and Development (OECD) member states for business–university collaboration. Similarly, in the mid-2000s, even before the financial crisis, business investment in research and development in the EU was 30 per cent less than that in the United States.

The EU Commissioner for Research responded to this situation by convening a group of economists to advise on an approach to ensure that knowledge became a critical resource for growth (see

the European Commission's Knowledge for Growth: Prospects for Science, Technology and Innovation, published in 2009).

However, the agenda quickly became much larger, revealing a more complex agenda: much more than improving general conditions for R&D and innovation, it became a question of how to structure a policy response to urgent and global challenges. Only an effective and efficient system of research and innovation would allow Europe to successfully respond to the broad range of global challenges, not only economic but also social and environmental. The seriousness of these challenges would require stronger collaboration. Hence for 2014–20, research and innovation funding was consolidated as Horizon 2020, the largest public funding program in the world, with a new emphasis on university–industry partnerships.

A similar theme emerged in Australia. In 2016, when ISA was formed with a Board comprising entrepreneurs, investors, researchers and educators. They initiated a wide-ranging consultation and in 2017, published Australia 2030: Prosperity through Innovation. This report promoted action in five areas: Education, delivering relevant

skills; Industry, through high-growth firms and increased productivity; Government through digital service delivery; Research, through improved commercialisation; and Culture, launching national Missions.

In the EU, the initial work of the science-business group extended quickly into collaboration with the OECD. A new policy framework was developed in order to focus European regional authorities on processes for increasing research and development activity, reducing fragmented initiatives across the EU, and promoting regional innovation systems. The EU-OECD working party examined both the European experience of place-based innovation systems and the evolving character of Global Value Chains (GVCs) with the conclusion that EU regional structural fund investments needed to be focused on applications by regional businesses of those knowledge assets within a region that had potential to be successful in global markets.

Hence, since 2014, it has been an *ex ante* conditionality that a Smart Specialisation Strategy must be adopted by the relevant regional authority in order for a region to qualify for the structural innovation component of the European Regional Development Fund.

An extensive program of support was implemented through the Smart Specialisation Platform in the Joint Research Centre, and approximately 170 regional and national Regional Innovation Smart Specialisation Strategies (RIS3) have been developed (see the S3 Platform, <http://s3platform.jrc.ec.europa.eu/>).

'Smart specialisation' asks regions to analyse their core assets, specifically those in which they have a comparative advantage, and seek new market opportunities which result from the more dispersed and flexible global value chains. In other words, place-based innovation becomes shaped by the emerging global opportunities. Focusing regional natural and knowledge assets (scientific and technological, as well as applied) on emerging global niche markets (specialised 'diversification') is a key objective of the EU's smart

specialisation process. This is an engaged planning process which promotes innovation as a collaborative, dynamic and iterative, problem solving process which must be focused on global context.

The Australian Government is beginning to explore the value of place-based innovation systems. In doing so, it can draw on the experience of regions that have adopted smart specialisation already. The Hunter Valley was the first, launching its Strategy with the Prime Minister in March 2016. The Latrobe Valley Authority has implemented Smart Specialisation a little differently, initially exploring the food and energy sectors as a basis for understanding and building a place-based innovation system for Gippsland. It is the first Australian region to register with the S3 Platform.

The Australian Government approach continues to evolve, which invites some consideration of a policy framework for the development of regional innovation systems. Is this an opportunity for Australia? Can it learn from the investment which the EU has made in place-based innovation systems? •

The digital revolution: New challenges, new thinking

By Anthony Elliott and Ross Boyd

Professor Anthony Elliott is Dean of External Engagement at the University of South Australia, where he is Executive Director of the Hawke EU Jean Monnet Centre of Excellence.

Dr Ross Boyd is Senior Research Associate at the Hawke EU Jean Monnet Centre of Excellence, University of South Australia.

One of the defining features of the 21st century is the digital revolution – from AI, advanced robotics, Industry 4.0 and the Internet of Things to self-driving cars, chatbots, drones, Uber, smart homes and personal assistants.

The rise of digital life is producing a profound transformation of the relations between the public, political and global on the one hand and the private, personal and local on the other. Central to these transformations lie the promises and challenges of AI.

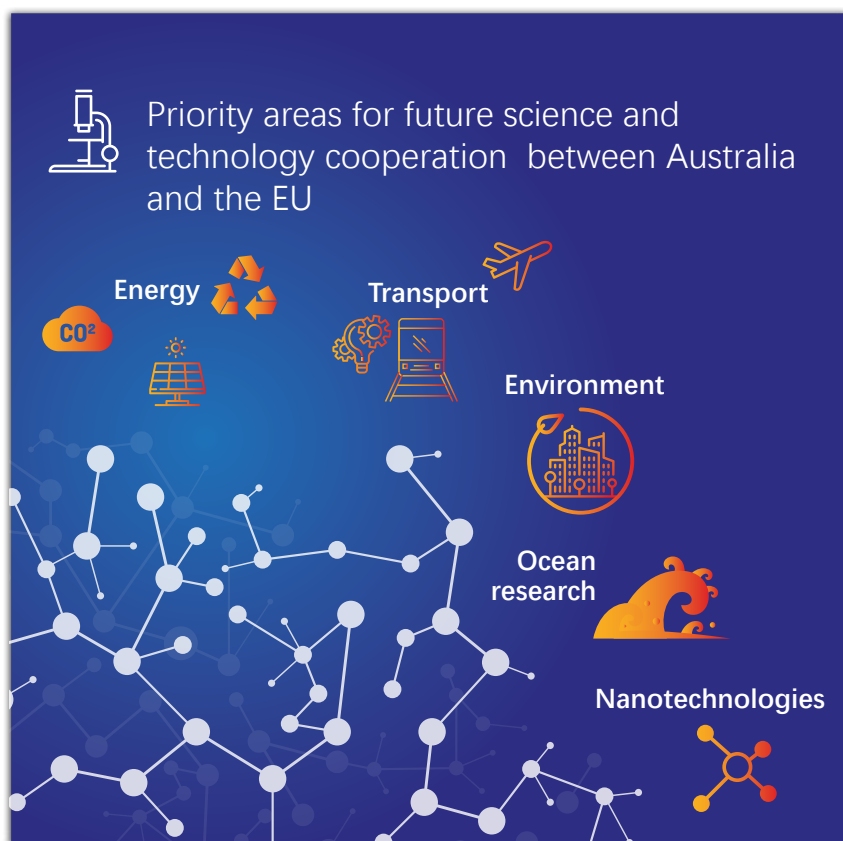
Innovation underpinned by monetary investment and public policy initiatives lies at the core of this digital revolution. In terms of national investment in AI, for example, the EU estimates a total public investment of \$US20 billion by 2030 – France has committed \$US1.8 billion over five years, the UK \$US1.3 billion over 10 years and China calculates it will spend \$US209 billion by 2030. Estimates of productivity-driven economic growth have AI contributing approximately US\$16 trillion to the global economy by 2030.

Over three billion people are today online – almost half of the world's population. By 2020, it is estimated that the average person will have four devices connected online – with 33 billion inter-connected devices operating worldwide. In 2016, the

Internet-based economy reached \$US4.2 trillion in the G-20 economies. If this were a national economy, it would rank behind only the US, China, Japan and India. Across the G-20, this new economy already contributes to over 4 per cent of GDP.

In addition to the range and rapid spread of systems of digitalisation, the scaling up of robotics is hugely significant throughout much of the world. In 2015, the number of industrial robots sold worldwide was nearly 250,000, with the industrial robotics industry enjoying annual global growth of approximately 10 per cent. AI-enabled cyberphysical systems such as Industry 4.0 will radically intensify digital disruption in the labour market and employment. Many jobs will certainly disappear because of AI, other jobs will be enhanced by AI, and many – yet unknown – jobs will be generated.

The EU, with its flagship Digital Agenda for Europe initiative and Digital Single Market strategy, has established policy platforms designed to capture the benefits and offset the risks of digital transformations for all EU citizens. With the 2017 roadmap



DID YOU KNOW?

Almost 200 Australian researchers have participated in the Horizon 2020 program

Horizon 2020 comprises a series of funding programmes created by the EU to support and foster research in the European Research Area. Almost 200 Australian researchers have participated in Horizon 2020-related projects to date. Within Horizon 2020, the Marie Skłodowska-Curie actions have seen the involvement of over 130 Australian researchers. The successful involvement of Australian organisations and individuals in Horizon 2020 builds on collaboration that took place under FP7, the EU's previous Research and Innovation funding programme for 2007-13 and all earlier Framework Programs.

Australia 2030: Prosperity Through Innovation and forthcoming Digital Economy Strategy, the Australian Government is taking significant steps to follow suit. In both cases commitments to facilitating the development of AI figure prominently. Yet the magnitude of these transformations, and hence the challenges entailed, cannot be underestimated.

Robotics and AI are increasingly networked, mobile and global. We are witnessing a new kind of technological transformation unlike anything previously realised – especially when viewed as converging with developments in biotechnology and nanotechnology. What is new is not only the speed, breadth and depth of digital innovation and change, but also the connected nature of our interactions with others and everyday objects. While people are connecting to the Internet as never before, so too are machines – and in staggering numbers. High-tech electric cars, TVs, computers, fridges – more and more, the appliances and devices we use in daily life have the capacity to communicate autonomously with other machines. Smart home-based devices have in large part attracted the bulk of media attention, yet it is in industry and the public services sector – ranging across retail, services, smart buildings and smart grid applications – where the large bulk of growth in connected devices will occur. Contemporary life increasingly consists of a merging of social and digital networks of interaction – with devices and software systems (operational via the Internet) producing, receiving and analysing data.

AI is not so much about the future as the here-and-now. Today, AI is threaded into much of what we do, and increasingly shapes who we are – evidenced in the rise of chatbots, Google Maps, Uber, Amazon recommendations, email spam filters, robo-readers, and AI-powered personal assistants such as Siri, Alexa and Echo. Digital technology

has been remarkably successful in satisfying the demands of our high-speed societies. The digital revolution, we are routinely told by technology experts and the media, will change how we live and work in the decades ahead. Transformed futures are everywhere, and there is now a large and ever-growing industry of specialists thinking and anticipating how digital technologies will transform how we act, see, feel, think and talk in the future.

We live increasingly in a world of technological innovation riven between extraordinary opportunity and wholesale risk. There is no easy way in advance of identifying how new technologies based on autonomous systems and adaptation to the environment will play out. There are certainly some stunning opportunities, with the potential to drastically reduce poverty, disease and war. But so too the risks are enormous, and this can be clearly discerned from the IT arms race, the development of autonomous weapons systems and other fundamental threats.

A range of strategies will be required to confront the opportunities and challenges of AI and big data, rather than a single approach, and much will depend on getting the right mix of global governance, local regulatory mechanisms, civil society participation, industry support and business compliance, and the development and deepening of digital understanding throughout populations will be of key importance. Governments the world over will face increasing dilemmas in balancing technological innovation and scientific advancement with popular support, especially in terms of employment policies.

The key question for the EU and Australia today is whether our societies can tolerate the uncertainties that attend AI, react creatively to these and become more open towards constantly evolving digital transformation. It may well transpire that our traditional frameworks for understanding social life are now approaching an end. If the social, cultural and political debates sparked by

current digital transformations teach us anything, it is that the scope, intensity, speed and long-term consequences of technological innovation are so profound that we might have, as it were, simply run out of styles of thinking or frameworks for understanding the impact of such changes. If so we will need fresh thinking to confront this breathtaking challenge, to break out of stifling orthodoxy, and to explore new issues.

It is precisely this task of thinking afresh to meet the challenges of the digital revolution that researchers based at the Hawke EU Jean Monnet Centre of Excellence, in conjunction with their European and Asia-Pacific Jean Monnet Network partners, are currently addressing. •

DID YOU KNOW?

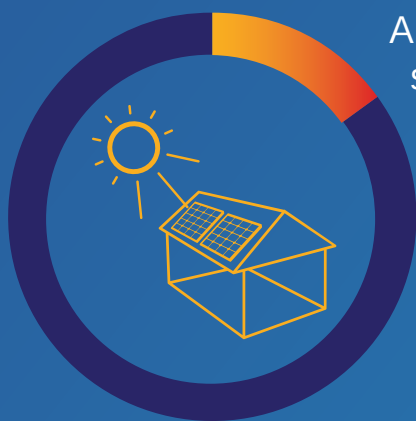
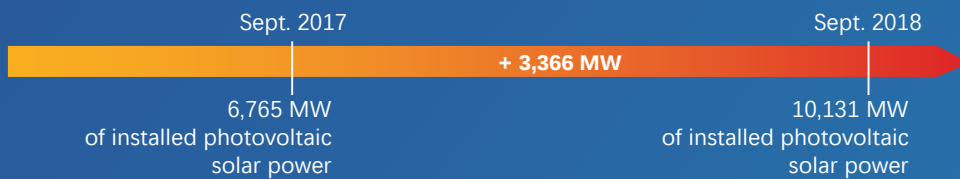
The topics of research, innovation and the information society are addressed in the EU-Australia Framework Agreement

Articles 41–42 of the EU-Australia Framework Agreement require Parties to enhance cooperation in the areas of science, research and innovation in support of, or complementary to, the treaty between the EC and Australia relating to scientific and technical cooperation, and the exchange of views on respective policies on information and communication technologies. The treaty being referred to is the 1994 Scientific and Technical Cooperation Agreement, which was the first such Agreement to be signed between the EU and a non-EU country.



Climate, Energy and Environment

As of September 2018, Australia had over 10,131 MW of installed photovoltaic solar power, of which 3,366 MW were installed in the preceding 12 months.



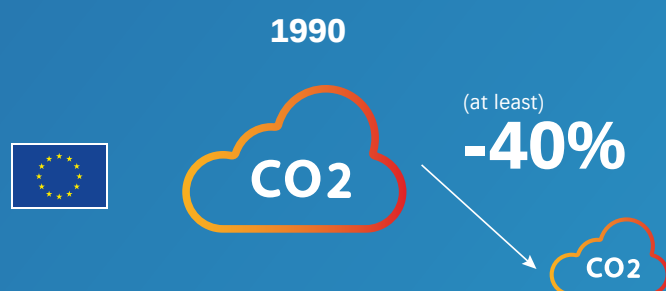
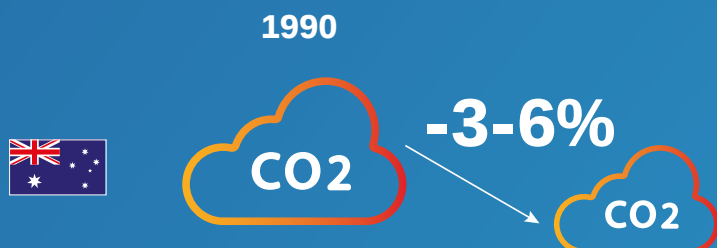
Australia's **15%** share of households deploying solar PV is among the **highest in the world**

DID YOU KNOW?

Australia is one of 23 countries working with the EU on Mission Innovation

Mission Innovation is a global initiative to dramatically accelerate global clean energy innovation. As part of the initiative, participating countries have committed to seek to double their governments' clean energy research and development investments over five years, while encouraging greater levels of private sector investment in transformative clean energy technologies. These additional resources will dramatically accelerate the availability of the advanced technologies that will define a future global energy mix that is clean, affordable, and reliable.

2030 greenhouse gas emissions reduction targets:



In 2018, **11** EU Member States
had already met their
2020
renewable energy goals



Rethinking Australia's approach to material use and value

By Helen Millicer

Helen Millicer is a Churchill Fellow, GAICD, Principal at One Planet Consulting, and Manager of Waste and Resource Recovery in the Victorian Government. She was Co-Chair of the EU-Australia Leadership Forum's Sectoral Policy Workshop on Circular Economy and Plastics.

Many decades of increasing affluence and expansion, with minimal impact of the Global Financial Crisis has meant that waste generation in Australia has grown, recycling rates have plateaued and China's recent import restrictions have hit hard.

Australia faces some significant challenges and opportunities to maintain recycling rates, let alone shift to a more circular economy, and has to rethink its approach to material use and value.

As in many countries, China's National Sword import restrictions have prompted reviews of many policies, strategies and programs. In Australia this has occurred at both state and national levels, with attention focused on packaging in particular. However Australian policy, programs and collaborations on waste and resource recovery are, in many respects several years behind those of leading nations in the EU, such as Germany and the Netherlands, which have been adopting an increasingly wide array of measures since the mid-1990s to reduce virgin resource consumption and lift recycling and reprocessing rates for both packaging and durable products.

In Australia the Federal Government has historically taken little responsibility for waste and recycling. Most of the responsibility for policies, legislation, financial and regulatory incentives sits with the states while responsibility for residential collections, and sorting facilities and landfills lies with local government and private companies.

Like many countries, Australia has only recently been mapping landfills and improving planning for resource infrastructure. Australia has made small steps to plan, facilitate and manage resource use, reuse and disposal as it does with water, transport and urban development.

Until recently, Australia's major investments have largely focused on residential collections and sorting infrastructure. This approach has been both technical and capital intensive. Australia, through state and local government, has invested more than EU countries in public education campaigns around residential kerbside bins, litter prevention and public bin/disposal systems as there is a greater onus and responsibility placed upon the public than industry for litter, as is evident through EU policies and legislation.

Like many countries, Australia is coming to terms with the fact that its current systems and policies are not adequate for the twenty-first century and need to change. We are coming to realise that our strategies, contracts, pricing, systems and programs have prioritised cost, efficiency and volume of collection for export over quality and adding value for end products. For example, there are now

serious conversations in state and local councils about how to move away from comingled kerbside recycling bin collections to distinct separate product collections, similar to systems in the Netherlands, Belgium or Wales. However, Australian governments at all levels have still a way to go in engaging with manufacturers, related industry groups and training institutions to develop policies, strategies, investments, skills, business models and collaborative projects for a more circular economy.

Furthermore, there are too few professional and intergovernmental links between Australia and its regional neighbours in the Pacific and Asia on manufacturing and reprocessing standards, levies, certification schemes, regulations and measures for a more circular economy and litter clean-up. By contrast, it is clear that the EU and Asia are increasing dialogues on measures to manage resource flows, standards and environmental impact. China's import restrictions are supporting industry and government measures for higher reprocessing standards in Europe while simultaneously addressing China's internal environmental problems of air and land pollution.

Australia's annual review of plastics recycling shows that over the last decade Australia has become increasingly reliant and focused on easy bulk exports of plastics while letting local reprocessing languish. For example, while durable products such as garden furniture, hose, pipe and flooring account for 60% of plastics consumed each year in Australia, there are currently no government or industry strategies, collections or separate drop-off or programs dealing with durable plastic products in Australia. This is contrary to trends in the EU which has seen increased growth in local reprocessing over the last 5-10 years and the target announced in early 2018 for 10 million tonnes reprocessed in EU by 2025.

Australia and the region of Southeast Asia and the Pacific therefore face a number of structural, organisational and environmental issues. New policies, improved data, information, joint investments and collaboration on projects, changes to cost structures and systems, and shared skills and knowledge are part of the solution. •

Mitigating the plastics challenge for future generations

By Mervyn Jones

Dr Mervyn Jones is Director of Sustainable Global Resources and was Co-Chair of the EU-Australia Leadership Forum's Sectoral Policy Workshop on Circular Economy and Plastics.

It is imperative that addressing the plastics challenge involves a carefully considered and evidenced-based approach that avoids conflating issues around plastics, targets action, and recognises the roles and responsibilities of all players in the plastics loop, if we are to mitigate the problem for future generations.

The plastics challenge has been catapulted into the consciousness of governments, businesses and the general public. Increasing awareness and media attention around the impact of plastic items (particularly in marine environments) due to their persistence and general degradation over time has captured global attention.

Around 25.8 million tonnes of plastic waste is generated in Europe every year. Less than 30% of this is collected for recycling. Landfilling and incineration rates of plastic waste remain high. China's decision to ban the import of certain types of plastic waste including from the EU, coincides with a rising demand for plastic. In the EU, reuse and recycling of end-of-life plastics is very low and the potential for recycling plastic waste remains largely unexploited.

Plastics and plastic packaging are, however, an important part of the global economy. It is important to recognise the vital role that plastics and packaging play in protecting, preserving, preventing waste and conveying consumer information. It is therefore imperative that addressing the plastics challenge involves a carefully considered and evidenced-based approach that avoids conflating issues around plastics, creating

unintended consequences, targeting action, and recognising the roles and responsibilities of all players in the plastics loop.

Challenges

The challenges identified around plastics can be distilled into three key issues:

- 1.** Design and manufacturing – The design and manufacture of, for example, single use plastic packaging often can impede either effective collection and/or recycling, because of various factors including material choice, shape and size.
- 2.** Use and disposal behaviours – Poor understanding of disposal choices by consumers plays a large part in material leaking outside of the plastic loop.
- 3.** Collection and recycling barriers – Problems arise within the waste infrastructure system, particularly with regards to availability and type of collection (separated/mixed, household, on-the-go, commercial) and the recycling infrastructure.

Furthermore, plastics recycling systems are driven by economics and are subject to externalities like volatile pricing. The fixed costs of recycling caused significant problems for re-processors during the

2008 recession and oil price crash and the second drop in 2014. This in turn impacts on current capacity to reprocess plastics, as is evident in the UK.

An added challenge, linked to both disposal and recycling quality, is contamination. The increasing use of bio-based plastic is not being matched by the efficacy of collection and recycling systems. In most European systems, biodegradable plastics currently cannot be recycled along with non-biodegradable plastic.

Current EU initiatives

Plastic waste and packaging recovery has been addressed until now through the Waste Framework Directive and the Directive on Packaging and Packaging Waste. These directives have increased the targets for both recovery and recycling of packaging waste and reduced consumption of lightweight plastic carrier bags. Marine litter has also been addressed through the Marine Strategy Framework Directive and the Urban Waste Water Treatment Directive.

In May 2018, the European Commission proposed a new Directive specifically on the reduction of the impact of certain plastic products on the (marine) environment. Because the proposal relates specifically to marine plastics littering it leaves the bulk of plastic items placed on the market within the sphere of existing regulation. Therefore, if the wider plastics challenges identified above are to be addressed, then a heavy reliance on producer responsibility and voluntary action is to be anticipated.

Action areas

Voluntary approaches across the retail and supply chain will need to focus on specific actions in order to demonstrate measurable progress towards addressing the plastics challenge. At a practical level this might be to consider whether:

- The single use item is avoidable, unnecessary or replaceable by a reusable alternative;
- The item is unable to be reused, recycled or fully composted effectively with the existing waste collection and recycling infrastructure;
- There is a material alternative available that creates no additional environmental impact;
- The plastic item can easily leak out of the system, through disposal behaviour or mismanagement such as frequent littering; and/or
- The item frequently or easily leads to contamination issues or inefficient recycling within the collection and recycling system.

Based on the responses to the above, actions can be allocated to the relevant stakeholders around avoidance, design, manufacture, recycling and education.

There is great potential for the EU and Australia to identify their common challenges and identify common actions to contribute towards mitigating the plastics challenge for future generations. •

Climate security in Australia and the EU

By Shirley Scott

Professor Shirley Scott is Professor of International Relations and Head of the School of Humanities and Social Sciences, UNSW Canberra.

In October 2018 the Intergovernmental Panel on Climate Change approved the Special Report on Global Warming of 1.5°C.

The Report emphasised the enormous benefits of limiting warming to 1.5° as opposed to 2° but emphasised that staying within 1.5° would require far-reaching efforts with regard to both mitigation and adaptation, including 'rapid and far-reaching transitions in land, energy, industry, buildings, transport, and cities.'

The consequences for humankind of inadequate climate change mitigation and adaptation can be referred to as climate insecurity. Climate insecurity includes the direct effects of the environment on human life, for example from increased frequency and intensity of extreme weather events and rising sea levels – as well as from indirect effects, including social tensions, conflict, large scale migration flows, and increased disease. Understood as a governance norm, climate security suggests that climate change should be 'securitised' – that is, treated as a security issue.

The EU has been a champion of the climate security norm, encouraged by non-governmental organisations including Adelphi and E3G. The EU first recognised climate change as a 'threat multiplier' for security and stability across the globe' in 2008. As understanding of climate security has increased, so has discussion in the EU become more nuanced and action-oriented.

On 27 February, 2018 the EU Foreign Affairs Council adopted its latest conclusions on climate diplomacy, calling for further mainstreaming the nexus between climate change and security in policy dialogue, conflict prevention, development and humanitarian action, and disaster risk strategies. According to the Council, 'climate projects in developing countries need to become more conflict sensitive while security approaches more climate sensitive'.

Migration to the EU from Western and Eastern Africa is believed to have been strongly impacted by climate-related environmental drivers such as desertification and soil degradation, albeit that these factors are part of a complex interplay that also includes economic and demographic factors.

Australia is far less advanced in acknowledging the prospects of increasing climate insecurity. On 14 June, 2017 the Australian Senate referred the matter of 'Implications of climate change for Australia's national security' to the Foreign Affairs, Defence and Trade References Committee. The resulting report recognised that climate change is exacerbating threats and risks to Australia's national security, including from bushfires, droughts, and extreme rainfall, but also adversely affecting other aspects of Australia's national security, including the economy, infrastructure, and community health and well-being.

The Committee recommended amongst other things, that the Australian Government develop a document such as a climate security white paper to guide a coordinated whole of government response to climate change risks.

Australia has taken some concrete steps towards building climate security considerations into its foreign relations; for example, Australia has committed \$1 billion over five years to climate change resilience initiatives and reducing emissions in developing countries.

The EU Foreign Affairs Council Conclusions on Climate Diplomacy also called for strengthening the role of the UN Security Council in climate risk assessment. European countries have been at the forefront of efforts to mainstream climate change into the work of the Council. Germany chaired the 2011 meeting of the Council that gave rise to a presidential statement accepting 'that possible adverse effects of climate change may, in the long run, aggravate certain existing threats to international peace and security'.

Margot Wallström, Foreign Minister of Sweden, and President of the Council for the month of July 2018, organised a Council discussion on climate and security. She called for better understanding of

climate-related security risks; improved analysis from the field; an institutional home in the UN, such as a Special Representative; and for increased learning from countries on the front line.

Germany is about to take a Council seat again from January 2019. In the lead up it has, together with Nauru, launched the UN Group of Friends on Climate and Security. The Group of Friends convened its first high-level meeting with heads of state and foreign ministers on the sidelines of the UN General Assembly in New York.

Despite the immediate relevance of the issue for Australia as well as for its foreign relations including in the Pacific, Australia was regrettably, not among the founding members. Nor did Australia use its recent non-permanent seat on the UN Security Council to advance the climate security agenda.

Climate security would fall neatly under article 46(2) of the new EU-Australia Framework Agreement and would constitute a dimension of climate change policy on which Australia-EU dialogue and cooperation would be particularly beneficial. •

Collaborating for sustainable environmental outcomes in a rapidly changing world

By Michael Pulch

His Excellency Dr Michael Pulch is the Ambassador of the European Union to Australia and the Chair of the Multi-Stakeholder Steering Committee of the EU-Australia Leadership Forum.

When it comes to environmental matters, the issue of climate change captures much of the public's attention and that of politicians alike. And rightly so. Climate change, depending on what degree we constrain anthropogenic emissions into the future, fundamentally threatens the earth's natural systems that sustain us.

Climate change is an existential issue for some low-lying small island states. When your freshwater source is destroyed through salt water intrusion and the water is literally lapping at the door, those seemingly esoteric and sometimes very politically intense UNFCCC negotiations take on a pressing and tangible significance.

The EU is proud of its record combating climate change. From 1990 to 2017 emissions have declined 22 per cent, while our economy has grown 58 per cent and we've acted swiftly since the watershed Paris meeting in 2015 to enact a comprehensive suite of legislation and to adopt an ambitious set of new targets. However, when it comes to global environmental stewardship, it's important to remind ourselves that climate change is by no means the only challenge confronting humanity.

There is wide array of international agreements tackling all manner of environmental concerns, from the Minamata Convention which aims to address the adverse effects of mercury pollution, to the Convention on Migratory Species to the Basel Convention dealing with transboundary issues of transporting and disposing of hazardous wastes. The list goes on. The justifiable rise in our collective consciousness around climate change in no way diminishes the need to confront these other environmental problems.

The Southern Ocean surrounding the Antarctic supports some of the most productive seas on Earth. Nevertheless, if we don't implement rational, science-based limits to our exploitation of these riches, we risk jeopardising the integrity of these ecosystems for future generations. To that end the international community cooperates to manage this

DID YOU KNOW?*Australia and the EU
have ambitious targets for
emissions reduction*

Australia has set a target to reduce emissions by 26-28 per cent below 2005 levels by 2030, which builds on its 2020 target of reducing emissions by five per cent below 2000 levels. In October 2014 EU leaders agreed on a 2030 climate and energy policy framework, putting forward a legally binding EU target of at least 40 per cent reduction in domestic emissions by 2030 in comparison to 1990.



vast expanse through CCAMLR – the Commission for the Conservation of Antarctic Marine Living Resources. Both the EU and Australia are active members and cooperate closely – culminating in the annual meeting every October at the permanent secretariat in the lovely city of Hobart. Australia and the EU have in recent years worked together to promote the creation of new Antarctic marine protected areas (MPAs) – MPAs being proven tools for biodiversity conservation and ecosystem management.

The Southern Ocean is also famous for its great whales. The EU and Australia are like-minded partners in supporting whale conservation in the Southern Ocean and globally. Whales are fully protected in both our jurisdictions. The International Whaling Commission (IWC), the main international forum for discussing whaling and whale conservation, was originally established back in 1946 and the parties agreed to a moratorium on commercial whaling in 1982. IWC discussions go well beyond those dominating the news media though, and the parties, including the EU and Australia, consider matters as diverse as indigenous subsistence hunts and the impacts of anthropogenic noise. Ship-strike is an increasing problem addressed by the IWC.

When many Europeans think of Australia, they conjure up images of snorkellers marvelling at dazzlingly colourful fish and corals somewhere on the iconic Great Barrier Reef, or they might think of giant crocodiles lazing on the banks of a billabong somewhere within Kakadu National Park. Few Australians though, when asked of what springs to mind when it comes to Europe, would suggest a pack of wild wolves running

down their hapless prey in Poland, or a brown bear and her twin cubs methodically hoovering up berries in an idyllic Carpathian alpine meadow. Europe too, has wild, untamed, and beautiful places. Natura 2000 is an EU-wide, coordinated network of protected areas, which seeks to safeguard not only true European wilderness areas, but allows for varying levels of direct human utilisation, depending on their management plans. Natura 2000 covers roughly 18 per cent of the EU's land area and 6 per cent of the marine territory. Other legislation supporting EU-level biodiversity conservation includes the Birds and Habitats Directives. The latter is one of the oldest pieces of EU environment law and dates back to 1979.

Sadly, marine litter is becoming ever more ubiquitous, turning up in surprisingly large volumes in the most remote of locations.

Images of decomposing seabirds posed alongside with the small, post-necropsy mounds of the colourful bits of plastic that killed them in the first place, are all too common. What's not so obvious are the 'micro-plastics' or tiny fragments floating in the oceans – sometimes too small to see with the naked eye. Micro-plastics are either deliberately manufactured for, say, the cosmetics industry or are simply the result of larger bits breaking up in to smaller ones. Either way, plastic pollution is an eyesore and imperils our ocean ecosystems in ways we don't yet fully understand. Similarly, the impacts on human health, as this detritus flows through the food chain, remain poorly understood.

On the upside, we are increasingly confronting this tide of trash, and the EU and Australia alike are in the process of enacting measures to curtail marine plastic pollution. At the time of writing, the debate over some proposals is ongoing in the EU, but community support for meaningful action is strong. The EU is stepping up efforts to address the scourge of plastic waste internationally and, at the 2018 Our Ocean Conference in Bali, has announced €9 million for a new project in South-East Asia. Australian governments at state and federal levels have also been galvanised into action, supported by a citizenry long concerned about

litter in the environment. Australians mourn the recent death of Ian Kiernan – an inveterate environmentalist who started 'Clean-up Australia', which expanded into an international movement.

Climate change is – with good reason – a key priority of the EU. But it's not the only environmental issue we face, and we mustn't lose sight of that. The EU and Australia are taking action cooperatively and independently, and as part of the international community, to face up to the myriad of environmental problems facing us in today's rapidly changing world. •

DID YOU KNOW?

Ten Articles of the EU-Australia Framework Agreement address the issues of sustainable development, energy and transport

Articles 45–54 of the EU-Australia Framework Agreement require the Parties to: strengthen cooperation on the protection of the environment and mainstreaming environmental considerations; enhance cooperation in the field of climate change; maintain regular dialogue and cooperation at political, policy and technical levels; meet obligations in respect of energy, transport, agriculture, sustainable forest management and employment and social affairs; strengthen dialogue and cooperation on issues of common interest relating to fisheries and maritime affairs; and encourage mutual cooperation, exchange of information and sharing of policy experiences in the fields of health and effective management of cross-border health problems.



Migration, Civil Society, Youth and Women

From 2012-17, EU Member States made up

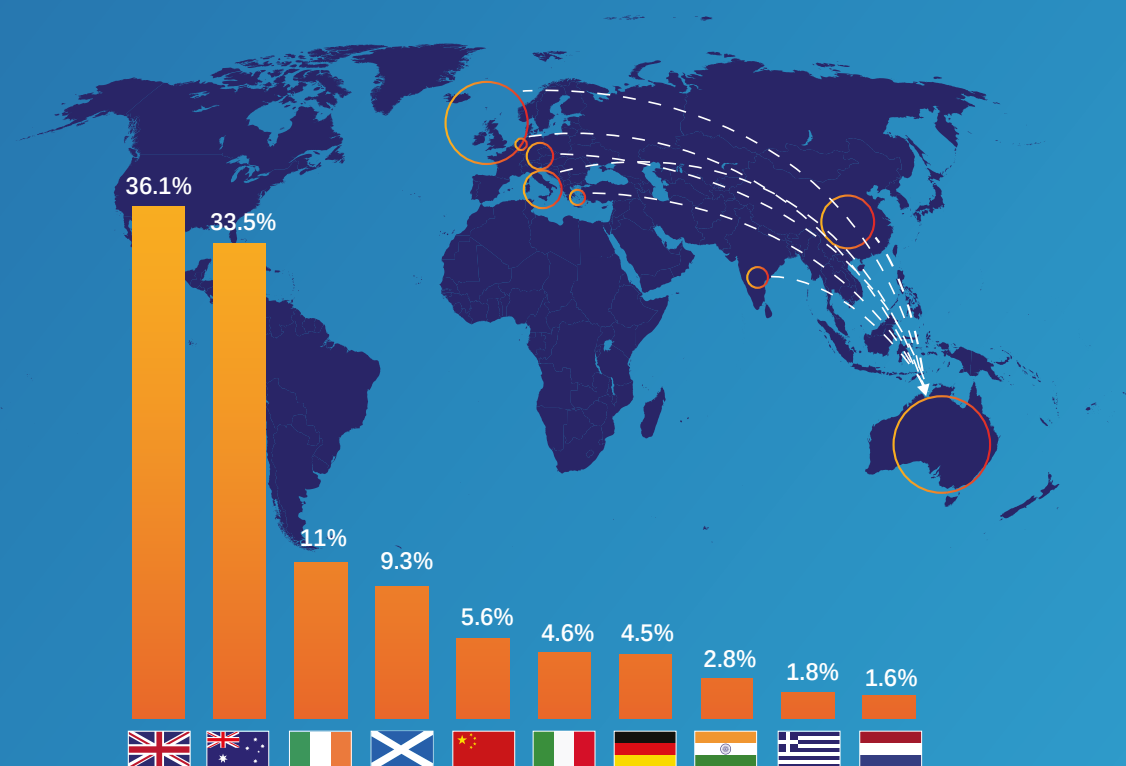
13 of Australia's **top 20**
Working Holiday Maker partners



At the end of 2016,
there were **97,500** Australians
*with valid residence permits issued by
EU Member States*



In the 2016 Australian census, the **10** most commonly nominated ancestries were:



DID YOU KNOW?

People-to-people links between Australia and the EU are deep and longstanding

Nearly 70 per cent of Australians have European ancestry, forming an integral part of Australia's rich multicultural landscape. Data from 2016 indicated that 28 per cent of Australians were born overseas, with several Member States being among the top ten countries of birth by number. EU Member State citizens live and work in Australia and vice versa: at the end of 2016 there were approx. 97,500 Australians with valid residence permits issued by Member States. Bilateral tourist flows are considerable, with average annual numbers estimated to be in the millions.

Young people are ready to change the game

By Luis Alvarado Martinez

Luis Alvarado Martinez is the President of the European Youth Forum and a member of the EU-Australia Leadership Forum Multi-Stakeholder Steering Committee.

I am proud. I am the President of the European Youth Forum – the biggest youth organisation-led movement in the world.

The members of our movement are ready to change the game for the world's biggest challenges. This year is a milestone for the European Youth Forum as we collectively decided to focus on sustainable development. Youth from all over Europe want to pick up the fight and change the game. But why should we be working on that? The answers are plentiful.

In October 2018, we were yet again warned about the state of our planet. The Intergovernmental Panel on Climate Change (IPCC) Special Report of October 2018 warned us about the devastating consequences for our planet if global temperatures rise over 1.5 degrees Celsius. As this is just the tip of the iceberg you might be forgiven for asking, what on Earth (literally) is going on?

The issue is however not 'just' about climate change. Sustainable development is a much bigger and wider issue. Open up the news on your phone. Turn on the TV. Chances are you will see at least one news article or story attempting to analyse the latest graphs and numbers on how the economy is doing. If GDP is growing and the economy is booming again, we're looking at a bright future! News like this makes us feel good. After all, growth is good, right?

Except, not everyone is feeling the benefit. For a lot of people, especially young generations, something doesn't seem to be matching up between the rate of GDP growth and our wellbeing. Despite the economy being on the road to recovery, youth unemployment is spiralling as working conditions deteriorate. We know that inequalities in our societies are widening as we're being shocked by images of mountains of plastic rising up in the sky and clogging up our oceans. To top it all off, our democratic institutions seem increasingly unfit to deal with these problems.

So, who actually wins from a 'booming economy' – and who loses?

The use of GDP as an indicator rests upon the unwritten rule that consuming more will make us happier. But is that true? Up to a certain point, yes. Rich people are happier than poorer people on average, and richer countries are happier than poorer countries. But in rich countries we are now actually observing the emergence of a reverse pattern, such as in Belgium where GDP is rising while wellbeing (welzijn) is on the decline.

The thing is, in the numbers game, GDP doesn't differentiate between good and bad. For example, if there's an oil spill with horrific environmental consequences, GDP will increase because experts using expensive technology will have to clean up the mess.

When you think about it, it's no wonder that the way our world works just isn't working for everyone.

Maybe instead of putting so much focus on economic growth and measuring wealth, we can find other indicators that would give a more accurate picture of our lives and wellbeing. Maybe, it's time to change the rules of the game.

What we need is a new vision, a new target to aim for. The European Youth Forum's Youth Progress Index is already one such framework that puts a different perspective on how to measure young people's quality of life around the world. Rather than using economic indicators, the Youth Progress Index aims to answer questions like: are young people able to exercise their socioeconomic and political rights? Do they live in a community where they feel included and not discriminated against? Do they have sufficient food to eat? Do they have access to housing? In other words,

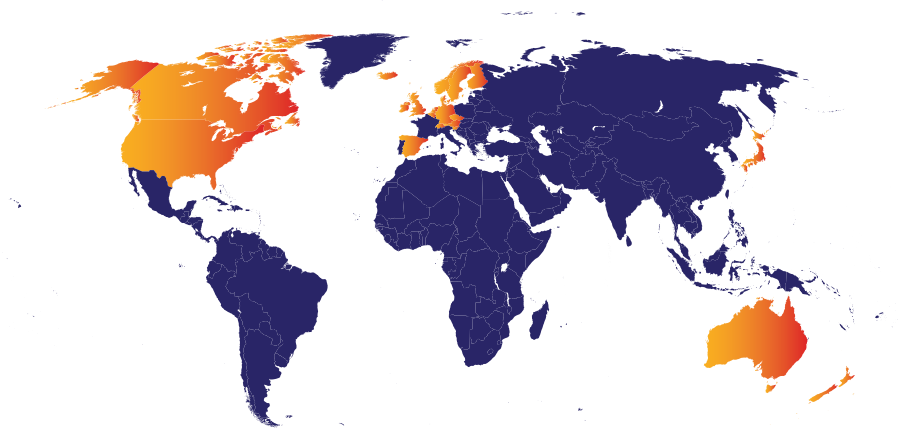
the Index measures factors that matter to and can impact the daily lives of young people.

We're tired of hearing that if we stick to the rules, play the game and work hard enough then we will win. For our sake and the sake of future generations to come, we need to rethink how we want our societies to be shaped, what values we want to promote and how our economies can ensure the wellbeing of both people and the planet.

As we observe from the IPCC Report, we're already living on borrowed time.

We are now at a crossroads. Never in human history has a generation faced an existential question on this scale. We are the first. If we are not to be the last, we must throw off our reserve, our fear, our old logics and our broken stories. It is our collective responsibility to change the rules for a sustainable future. •

Australia and EU Member States comprise **13 of the top 20** rated countries in the Youth Progress Index (2017).



Women's leadership in Europe: The Irish perspective

By Orlaigh Quinn

Dr Orlaigh Quinn is Secretary General of the Department of Business, Enterprise and Innovation in Ireland.

This year, 2018, Ireland celebrates the 100th anniversary of the vote for Irish women. We also mark the election of the first woman to the British House of Commons, Irish women Countess Markievicz, who went on to become the first woman in the world to hold a ministerial position as Minister for Labour in the Irish Parliament from 1919 to 1922.

We have seen significant changes in the intervening years. Most recently, we have witnessed the developments in global gender politics and a much greater focus on the role of women in leadership. Many of the positive changes are due to our membership of the European Union (EU).

Equality between genders is one of the fundamental principles of EU law, and legislation for equal rights has existed since the very early days of the European Community. In fact, the basic principle of equal pay for equal work was included in the Treaty of Rome back in 1957.

An early example of EU influence on equality in Ireland occurred when we joined in 1973, when we saw the abolition of the 'marriage bar' which prevented married women working in the public service. Since then, the EU has been strongly influential in several pieces of important legislation covering areas like equal treatment when applying for a job, equal treatment at work, protection of pregnant workers, protection of breastfeeding mothers and rights to maternity and parental leave.

Ireland has made major progress and, according to the 2017 Gender Equality Index, now ranks eighth place for gender equality across the EU; three points ahead of the EU average. However, despite these improvements, significant gaps still exist:

- In the second quarter of 2018, the employment rate in the 15-64 age group is 63 per cent for women compared to 74 per cent for men.
- Irish women have higher levels of education (59 per cent had a third level qualification in 2017 compared to just 47 per cent of men in the 25-34 age group).
- The vast majority (98 per cent) of those looking after home and family in 2016 were women and 91 per cent of single parent households were headed up by women.
- The gender pay gap in Ireland in 2014 was 13.9 per cent.

At senior management level, we have improved female representation, albeit from a very low base. Following affirmative action, the number of women in our parliament has increased from 15 per cent



DID YOU KNOW?

In both Australia and the EU, English is the most commonly spoken language

While Australia and the EU share this characteristic, the linguistic similarities end there. Figures derived from the 2016 Australian census indicate that 72.7% of Australia's population speak English only. By contrast, almost half of EU citizens speak a second language well enough to take part in a conversation. In Australia, the most commonly spoken languages (after English) are Mandarin, Arabic, Cantonese, and Vietnamese. In the EU, they are German, French, Italian and Spanish.

in 2011 to 22 per cent in 2018. Women now comprise 20 per cent of our government, although we have had only 19 women serve as ministers since the foundation of the State.

Within our civil service, we have made major improvements at senior management levels but at the most senior Secretary General level only two out of 17 heads of government departments are women and we have had just nine women in this position.

In business life, the share of women on the corporate boards of the largest companies increased by nine per cent between 2007 to 2016, but men still represent 84 per cent of decision-makers – far below EU average.

A notable exception and a strong example of successful government action, is the membership of state boards where some 41 per cent of board members are women with 28 per cent acting as Chairs.

However, it is very clear that despite all the research that shows that decision-making benefits from the contribution of a wide range of perspectives, men are significantly outnumbering women in the vast majority of national decision-making structures in Ireland.

So, what are we doing about this? We have been openly discussing this in Ireland and our Government has adopted a National Strategy for Women and Girls 2017–2020 with strong actions and timelines for delivery. Taking the mantra “if you can see it, you can be it”, this Strategy aims to shine a light on equal roles for women and girls in all aspects of society. It represents a whole of Government approach to improve outcomes for women, recognises the shared responsibility for achieving these results and the importance of taking measures to the maximum of available resources.

When we consider why there are so few women in leadership roles in Ireland and in Europe – we know the practical areas to address. All of the ‘Cs’; culture, cash, childcare, confidence and unconscious bias, inhibit female participation and ultimately, women as leaders. I believe that in shining a light and openly discussing the barriers, we can find solutions and take practical steps to ensure we have the women leaders and society we deserve.

We have developed positive actions to address barriers. For example, within the remit of my own Department, we have initiated targeted programs to encourage and support women entrepreneurs and women scientists returning to work, both with notable success.

We must develop strategic partnerships with key influencers if we are to achieve change. The Irish Government is working with key business leaders and getting them to make the case to their peers to support more women into leadership positions in business.

Leaders are not born leaders. They develop leadership skills and abilities over time. We as leaders need to make sure we nurture and develop our young women and ensure we develop our leaders of the future. •

Migration, mobility and globalisation: Australia and the EU at the edge of history

By Anthony Elliott

Professor Anthony Elliott is Dean of External Engagement at the University of South Australia, where he is Executive Director of the Hawke EU Jean Monnet Centre of Excellence.

In these early decades of the twenty-first century, people are 'on the move' as never before.

Contemporary women and men are arguably travelling further, faster and more frequently than anytime previously in human history. 2016 witnessed over three billion international flight arrivals, and the largest business on the planet is that of travel and tourism – generating in excess of US\$8 trillion annually worldwide.

The flipside of such accelerated and freely-chosen mobility throughout the polished, expensive cities of the West is, however, the enforced mobility of ever-growing numbers of asylum seekers, refugees and other displaced persons. According to the 2017 UNHCR Global Trends report, the number of forcibly displaced people world-wide rose from 59.5 million to 68.5 million in three years. Of these 24.5 million were refugees, and 3.1 million asylum seekers.

In the first half of 2016 this trend continued, with a further 3.2 million people forcibly displaced, including 1.5 million refugees. Over half of all new refugees came from Syria, which remains the main source country for refugees (5.3 million as of mid-2016), along with Afghanistan (2.7 million) and Somalia (1.1 million). Recently a new zone of instability and displacement has emerged with the UN estimating over 2.3 million Venezuelans leaving their homes over the last two or so years.

The effects of these refugee emergencies are most urgently felt by neighbouring countries – as of mid-2016 Turkey hosted 2.8 million refugees, Pakistan 1.6 million, Lebanon 1 million and Ethiopia 742,000, and in early 2018 as many as 5,000 Venezuelans per day crossed the border seeking safety in Brazil, Colombia, Ecuador, Peru and Chile. They are nevertheless impacting well beyond the immediate emergency zones. For example, 2015 witnessed over 1.3 million claims for asylum across Europe, with Germany alone receiving 441,900 claims.

While the sheer scale of the current crisis is without precedent, it is equally important to recognise significant qualitative differences between contemporary forcible displacements and those that have occurred in the past. I want to highlight two major differences.

The first concerns technology, especially new digital technologies. Now we can agree that there's nothing new about enforced migration. But what has changed is that we now live in a time of instantaneous communications, where new information technologies mean we are connected to others at-a-distance in ways previously unimaginable.

The digital revolution has an uprooting effect for almost everyone, and this is especially evident in the transformed landscape of enforced migration. Many of the migrants fleeing from Syria, Iraq and Afghanistan into Europe, for example, used smartphones to navigate their journeys, to send texts to other family members en route, and even to check on how the authorities in different EU countries were responding to the crisis. The advent of digital technologies has given rise, in other words, to new ways of 'doing' migration – both enforced and freely-chosen.

Secondly, this also underscores that migration is no longer just a regional issue but is in fact global. Thanks to globalisation, what happens on the other side of the planet is no longer 'elsewhere' or 'other' but 'inside' or 'internal'. Globalisation, as Lord Anthony Giddens has argued, is a "runaway world" of mixed opportunities and risks, a world of intensive experimentalism pushing nation-states beyond the edge of history.

The combined forces of globalisation and the digital revolution also spells significant problems for multiculturalism. The idea of multiculturalism took root before globalisation reached the levels of extensity it has attained today. Proponents of multiculturalism tend to assume that ethnic cultures have clear-cut boundaries, and are unchanging over time, but this is no longer so in a world of super-diversity.

I think the term 'interculturalism' is perhaps better for grasping the interplay of freely chosen movement and enforced migrations occurring across the globe – and of the major challenges the world faces in fostering interaction between cultural groups within cities, regions and indeed on the global level.

Identifying those challenges is what our research teams at the Hawke EU Jean Monnet Centre of Excellence, and before this the Hawke EU Centre for Mobilities, Migrations and Cultural Transformations, have sought to address, through cultural outreach programs and EU-focused research, and including projects designed to build understanding about the intersections of freely chosen mobilities (travel, transport and tourism) and enforced migration (refugees and asylum seekers).

Mobilities have been, among other things, a way of thinking afresh about changes at the level of migration. In *Mobile Lives* (2010), I joined with the British sociologist John Urry to investigate what it means to live a 'mobile life' at the start of the 21st century. This work can be seen as part of a growing field of study – its leading theorists include, in addition to Urry, Barry Wellman, Tim Cresswell and Nigel Thrift – which probes what is unique about the contemporary social world through the prism of 'mobilities'. Whilst the "mobilities paradigm" has been concerned with issues of movement in general, the aim of *Mobile Lives* was to demonstrate that the development of various mobility systems has bearing on the way in which our lives are constituted and transformed.

Mobilities restructure the deepest links between the personal and the global, selfhood and society – discernible in everything from the rise of discount budget air-travel or the wholesale spread of fly-in fly-out contract workers to the veritable explosion in enforced migration arising from political conflicts in various hot-spots across the globe today. In all of this, mobilities generate not only new forms of self-experience and modes of self-identity, but also related new kinds of social deprivation and exclusion.

The mobilities paradigm captures the complexity of migration in our age of advanced globalisation, and underscores the political importance of seeking to transcend what Slavoj Žižek has called “the double blackmail” of the refugee crisis. As the Australian

Government continues to pursue its policy of Operation Sovereign Borders, and the EU advances Global Compacts on refugees and migration, the mobilities paradigm serves to highlight that there are alternative “third way” political strategies. •

In the World Economic Forum's
Global Gender Gap Index for 2017,
**Australia and EU Member States occupy
16 of the top 35 global rankings.**



The European Union and Australia: A lesser-known migration connection

By Bruno Mascitelli

Associate Professor Bruno Mascitelli is Associate Professor in International Studies at Swinburne University of Technology, Melbourne and President of the European Studies Association of Australia (CESAA).

Much of the relationship narrative between the European Union and Australia is focussed around trade, security, defence, energy, climate change and technology. Rarely do we think of a migration and people connection between these two entities as an important source of engagement and relationship. Yet it is and possibly stands as one of the more untapped resources, dismissed as not being relevant.

Most of the original Europeans that settled in Australia were of course those that arrived under the auspices of the British colonial administration. The impact of the initial European settlement on Australia and its Indigenous population is enduring and continues to shape this country in many ways in its bid for reconciliation.

Australia was and is a country of immigration. In its first fifty years of Federation, the country was peopled in very conscious and clearly race-based ways as determined by the White Australia Policy. After 1947, while still under the shadow of the White Australia Policy, changes emerged allowing an array of other Europeans to enter Australia and contribute to nation-building projects. Many from continental Europe also settled in Australia through the major migration programs of the 1950s and 1960s. These included migrants from Italy, Greece, the Netherlands, France, Germany and smaller numbers from Eastern and Central Europe, thus giving Australia “a more than British” demography. Australia’s economic, and even defence needs, required labour and certain skills to allow the

construction of the social and economic fabric to expand. European migration would play a key role in the provision of these human resource needs.

By the 1970s, with the White Australia Policy no longer the pillar of Australian migration, a new and significantly different phase of immigration began after 1975. The arrival of South Vietnamese refugees challenged and changed the dominant White Australia migrant selection that had defined much of Australian migration for the previous decades. Initially, the majority of migrants during this phase consisted of Vietnamese people seeking refuge. By the late 1980s, however, it would also include people from other Asian nations such as China. For the first time, people born in China started to impact the Australian birthplace demography. The 2016 census figures indicate that India and China have become the top two source countries for Australia’s new population growth, as can be seen from Table 1 (overleaf).



DID YOU KNOW?

*The EU-Australia
Leadership Forum has
reached more than
100 young leaders*

At the conclusion of the EU-Australia Leadership Forum project in 2019, more than 100 young people from Australia and EU Member States will have participated in an EU-Australia Emerging Leaders Forum event.

Gender balance at both Emerging Leader Forums has been maintained at exactly 50 per cent.

Table 1

*Estimated resident population, Australia -
Top 10 countries of birth, 30 June 2016*

Country of Birth	Number	Percentage of Australian population
United Kingdom	1,198,000	5
New Zealand	607,200	2.5
China	526,000	2.2
India	468,800	1.9
Philippines	246,400	1.0
Vietnam	236,700	1.0
Italy	194,900	0.8
South Africa	181,400	0.8
Malaysia	166,200	0.7
Germany	124,300	0.5

Source: Australian Bureau of Statistics, Canberra - 3412.0 - Migration, Australia, 2016.

Despite changes in Australia's migration programs, the nature and evolution of European migration to Australia continued to be a factor in the population of Australia. While some communities from Europe, especially the non-British and Irish, ceased to be part of the migration cycle and settlement in Australia, a new European presence emerged centred on educational activities, often temporary in nature and aimed at young people as attested by the prominence of the Working Holiday Maker visa scheme. Between 2012 and 2017 thirteen of Australia's top twenty Working Holiday Maker partners were from EU Member States.

Contemporary Australia is quick to flaunt its credentials as a European nation in the southern hemisphere, coincidentally located in the Asian region - as it did with the now forgotten 2012 White Paper "Australia in the Asian Century". It is this geo-political positioning of Australia as a European outpost in Asia, which makes the question of the European presence in Australia an important aspect of the country's history, not only from a demographic perspective but also in terms of nation-building.

Australia's identity is first and foremost European due to its origins, historical settlement and ongoing migration from European destinations. European diasporic communities have evolved significantly since the days of their early arrival. While the British and Irish connection is still significant, European migration has essentially ceased to contribute the numbers of once upon a time. While many Europeans in Australia might identify with their specific European State, policy makers on both sides need to investigate how European Diasporas can facilitate greater communication between Europe and Australia. This is a resource, which is too strategic and too valuable to be left idle. ●

DID YOU KNOW?

The EU and Australia are part of the ASEAN Regional Forum

Established in 1994, The ASEAN Regional Forum is an important forum for security dialogue in Asia. Its 27 members engage in dialogue around political and security issues of common interest and concern, and make contributions to confidence-building and preventive diplomacy in the Asia-Pacific region.



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