

THE GANTNER MYER CONVERSATIONS

Lindenderry Country House
Red Hill, Australia
1 – 3 September 2002

CO-CONVENERS

Mr Baillieu Myer AC
Professor Wang Gungwu CBE

CO-ORGANISERS

Professor Anthony Milner
Ms Jenny McGregor

The Gantner Myer Conversations

REPORT OF PROCEEDINGS

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The Gantner Myer Conversations are an initiative of
The Asialink Centre at The University of Melbourne
in collaboration with the National Institute for Asia and
the Pacific at the Australian National University.

The Asialink Centre

The Asialink Centre is a unique national Australia-Asia centre offering a broad range of activities including business briefings and training, networking, conferences, arts exhibitions, lectures/seminars, publications, residencies/exchanges, study tours and teacher education.

VISION Australians equipped for full participation in the Asian region.

MISSION To increase understanding and build partnerships between Australia and the countries of Asia by strengthening Australia-Asia activities in the education, business, arts, media and community sectors.

REACH Asialink reaches all age groups, from primary school children to senior diplomats and captains of industry. Asialink's programs span sectors and geographical borders with chapters in Canberra, Melbourne, Sydney and the Asian region. Asialink has partners in all Australian states and territories, and in fifteen Asian countries.

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The Asialink Centre is an initiative of the Myer Foundation at the University of Melbourne



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The Australian National University (ANU), founded in 1946, is one of the world's leading centres for research and teaching on the Asia-Pacific.

The ANU's National Institute for Asia and the Pacific (which includes the Faculty of Asian Studies and The Research School of Pacific and Asian Studies) is committed to researching, training and teaching about Asia. With some 250 specialists on the Asia-Pacific, the National Institute has a particular concentration on Southeast Asia.

The ANU has cooperated closely with Asialink over an extensive period, including in the Asia Australia New Leaders Program and, in 2001, on two major national forums on Australia's relations with the Asian region.

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MINISTER'S MESSAGE



1. The Hon Alexander Downer MP (left) with Asialink Co-Patron Mr Baillieu Myer AC

2. Asialink Co-Patron Professor Wang Gungwu CBE (left) with The Hon Alexander Downer MP

THE IMPORTANCE OF ENGAGEMENT WITH ASIA is an abiding imperative for Australia. Our proximity to Southeast Asia has provided economic, strategic, political, social and intellectual opportunities. It has also resulted in challenges and tensions. All of our interests lie in a prosperous and stable region.

The Government has worked hard to further Australia's engagement in Asia, against a background of rapid and dynamic change. The result – substantial assistance after the financial crisis; increased trade and investment, including through initiatives such as the AFTA-CER closer economic partnership; more Asian students in Australia, and vice versa; a targeted aid program focusing on good governance; stability in East Timor and increased regional cooperation against the threat of terrorism – is a more closely integrated and stable region, with promise for renewed vigour and prosperity.

The Gantner Myer Conversations bring together participants from Southeast Asia and Australia providing an opportunity to hear influential voices on issues of shared concern.

I welcome this new second track initiative and congratulate Asialink patrons, Mr Baillieu Myer and Professor Wang Gungwu and Chairman, Mr Carrillo Gantner on their vision and personal commitment to constructive Asia Australia relations.

The Hon Alexander Downer MP
Australian Minister for Foreign Affairs

CHAIRMAN'S MESSAGE

THE MYER FOUNDATION HAS a long history of supporting Australia's engagement with the countries of the Asian region. From the establishment of the first Chair in 'Oriental Studies' at the University of Melbourne in 1962 to the creation of The Asialink Centre in 1990, the Foundation has identified Australia's Asia relations as a clear priority.

Asialink's patron, Mr Baillieu Myer initiated the Gantner Myer Conversations in memory of Asialink's first Chairman, Mr Kenneth Myer AC who, with his wife Yasuko, died in an accident in 1992. Baillieu Myer invited co-patron Professor Wang Gungwu to co-host these Conversations, in part to address a perception that Australia had 'turned its back on Southeast Asia,' and to raise the level of dialogue between key regional players.

In late 2001 and early 2002 Mr Myer and Professor Wang visited Malaysia, Indonesia, the Philippines, Singapore, Thailand and Vietnam with members of the Conversations' organising committee – Professor Anthony Milner, Dean of Asian Studies at the Australian National University and Ms Jenny McGregor, the Executive Director of Asialink. Meetings were held with over 90 people to identify key issues, to discuss Australia/Southeast Asia relations and to identify qualified participants.

The name 'The Gantner Myer Conversations' was chosen to suggest a very personal event, markedly different from the conferences we all attend. Our aim in these Conversations is to learn from one another, to share new insights and to forge lasting relationships that will support us in our future endeavors and contribute to the Asian community in which we all make our home.

Mr Carrillo Gantner AO
Chairman, The Asialink Centre



3. L-R: Jenny McGregor (Australia), Executive Director, The Asialink Centre; Wang Gungwu CBE (Singapore), Director of the East Asian Institute, The National University of Singapore; Sirikorn Maneerin (Thailand), Thai Deputy Minister of Education; Carrillo Gantner AO (Australia), Chairman, The Asialink Centre and Ms Ziyin Gantner (Australia).

4. L-R: Wang Gungwu CBE; Anthony Milner (Australia), Dean of Asian Studies and Basham Professor of Asian History, The Australian National University and Hikmahanto Juwana (Indonesia), Professor of Law, The University of Indonesia.

5. FACING PAGE: Participants of the Inaugural Gantner Myer Conversations, Lindenderry Country House, Australia.

FOREWORD

GOVERNMENTS THEMSELVES WOULD BE the first to admit that the strengthening of relations in this region cannot be entirely the responsibility of government. Nor do effective regional relations merely involve commercial or defence exchanges. Effective engagement requires the promoting of a regional conversation that extends to all manner of issues relating to human affairs – a conversation that addresses social and cultural issues as well as economics and politics.

In the spirit of such regional exchanges, The Asialink Centre at the University of Melbourne in collaboration with the National Institute for Asia and the Pacific at The

including the evolving nature of ASEAN-Australian relations, population flows, terrorism and the role of the large Asian powers within our region.

As an important second track initiative, The Gantner Myer Conversations were welcomed in Australia by members of both the Government and the Opposition. Over lunch and dinner breaks, the participants heard from former Liberal Prime Minister, The Rt Hon Malcolm Fraser AC CH; Kevin Rudd MP, the Labor Shadow Minister for Foreign Affairs and Greg Hunt MP, the local Mornington Peninsula Liberal Party member. At the closing dinner, hosted by Freehills in



Australian National University convened the inaugural Gantner Myer Conversations at the Lindenderry Country House on the Mornington Peninsula in Australia from 1–3 September 2002.

The Conversations brought together an elite group of younger yet highly influential individuals from Indonesia, Thailand, Singapore, Malaysia, Vietnam, Australia and the Philippines to mull over some of the critical questions facing our region and the wider world. The participants represented a broad spectrum of the community and included leaders in government, business, academia, journalism and the arts. Over the course of the Conversations, the frank and often spirited discussion focused on a broad range of issues

Melbourne, the participants had an opportunity to share some of their insights with the Hon Alexander Downer MP, Minister for Foreign Affairs.

The formal sessions were conducted under Chatham House rules, and the substance of these discussions is contained in this record of proceedings.

Mr Baillieu Myer AC
Patron, The Asialink Centre

Professor Wang Gungwu CBE
Patron, The Asialink Centre

SESSION 1: ADDING SUBSTANCE TO AUSTRALIA–SOUTHEAST ASIAN RELATIONS

THE GROUP ACKNOWLEDGED THAT governments have an important leadership role to play in setting the agenda for constructive regional engagement. In spite of the occasional political rhetoric – such as Malaysian Prime Minister Mahathir Mohamad’s vocal opposition to any Australian role in ASEAN-led regionalism or the recent tension between Australia and Indonesia over East Timor – there was an overall awareness and appreciation among the group for the existing substance in Australia-ASEAN relations, especially the substantial and sophisticated economic, political and security ties that currently exist.

Yet, in spite of the rich nature of these ties, there exists a perception in the region that Australian policy under the Howard Government has shifted its focus away from its own region and toward its Anglo allies in the United States and Europe. The group shared a common concern for mitigating the affects of this misperception by fostering greater dialogue and closer cooperation between Australia and the countries of Southeast Asia.

Several of the participants highlighted the gap in cultural understanding between the largely Anglo-culture of Australia and the myriad of diverse Asian-rooted cultures that exist in Southeast Asia. Concern was also expressed about the effect of any cut in Australian government funding for the study of Asian languages and societies, which it was believed could further undermine the level of cultural understanding between the countries and peoples of the region. Others pointed to the role of the media in perpetuating and reinforcing regional misperceptions. While some of the participants claimed that the media lacked a sophisticated analysis of the complex linkages between Australia and Southeast Asia, others pointed to the role globalisation has played in diversifying and broadening the focus of the media. As the media recasts its attention to issues of transnational and inter-regional concern (such as the environment, information technology and global terrorism), the everyday ties between Australia and Southeast Asia become buried in the back pages of the news.

Others commented on the fundamentally asymmetrical nature of the relationship between Australia and Southeast Asia. With perhaps the exception of Indonesia, Australia has traditionally looked beyond the region at Europe and America as its most important trading and security partners. When it has focused on Asia, it has historically been on its substantial ties with Japan and now its rapidly expanding economic ties



6. Kobsak Chutikul MP (Thailand), Deputy Leader, Chart Thai Party.



7. L-R: Dewi Fortuna Anwar (Indonesia), Deputy Chair for Social Sciences and Humanities, Indonesian Institute of Sciences and Simon Longstaff (Australia), Executive Director, St. James Ethics Centre.

with China. The ASEAN region is no different. For centuries Southeast Asia has been influenced both politically and culturally by the region’s two most powerful civilisations –China and Japan– while Australia has been seen as far less relevant to the region. Today, this Chinese and Japanese influence continues – particularly in an economic dimension. Despite its own economic woes, Japan’s direct investment in Southeast Asia over the last 10 years now equates to nearly 7% of the gross domestic product in Thailand, Hong Kong, Indonesia, Malaysia and Singapore. In terms of exports, Southeast Asian manufacturers quite naturally look beyond Australia’s small market at China’s 1.3 billion consumers or the world’s largest and most mature domestic consumer market in the United States.

While acknowledging the role regional governments and the media play in strengthening non-economic relations, many of the participants stressed the importance of building grassroot, non-governmental ties. Education, tourism, legal, security and cultural exchanges were identified as areas where Australia and Southeast Asia have already built deep people-to-people networks. An increasingly large portion of the nearly 200,000 overseas students that study in Australia each year, for example, come from Southeast Asia while over half a million Southeast Asian tourists visit Australia each year. Participants agreed that we should build on these strengths to create more extensive and diverse grassroot ties between peoples and organisations within the region – as these ties often prove durable and productive.

SESSION 2: IMPROVING AND EXPANDING TRADING RELATIONS

SOUTHEAST ASIA IS CURRENTLY one of Australia's largest trading partners. Yet, as several of the participants pointed out, it is not only the volume of trade that is important but also its composition. With the greater sophistication of trading ties between Australia and Southeast Asia, there comes a natural progression from a focus on trade of the 'feet' (e.g. agriculture) and 'body' (e.g. manufacturing and natural resources) toward the 'head' (e.g. services) industries. Over the last decade, regional governments have begun focusing increasing amount of attention on the negotiation of bilateral free trade agreements (FTA) which aim to increase both the volume and composition of trade throughout the region. This session saw the participants debate the merits of these free trade agreements and some of the challenges facing further economic integration throughout the region.



8. L-R: Baillieu Myer AC (Australia); Chusnul Mar'iyah (Indonesia), Member, Indonesian Electoral Commission and Hikmahanto Juwana (Indonesia).

9. L-R: Johathan Mills (Australia), Composer-in-Residence, Bundanon Trust and Huy Truong (Australia), Co-Founder and Chief Executive Officer, Wishlist Holdings.

In discussing the merits of bilateral FTAs, one participant sounded a note of skepticism about the efficacy of these agreements, questioning whether FTAs were the most efficient means for increasing trade throughout the region. Bilateral free trade agreements have proven very difficult and time consuming to negotiate, and once concluded often result in few tangible new benefits. Instead of fostering closer economic ties, one is left with a 'spaghetti bowl of bilateral agreements' that are actually detrimental to increased regional integration. It would be more beneficial and cost effective, it was argued, to focus the energies of governments on a regional or multilateral trade agreement that can produce larger and more sustainable results.

Others disagreed, pointing to the fact that the relatively small size of the Australian and Southeast Asian economies made bilateral free trade agreements the most effective method for promoting regional trade. FTAs that are comprehensive in scope and coverage can complement and provide momentum to wider multilateral trade objectives. Furthermore, the time and energy invested in negotiating these agreements has a knock-on political effect, helping to improve bilateral relations through media exposure and increased people-people ties. Due to the complexity of a regional free trade agreements like the ASEAN Free Trade Area (AFTA) and the problems multilateral trading system like the WTO have encountered in tackling complex issues in the service and information technology sectors, countries like Singapore and Australia have turned to bilateral free trade agreements to help advance regional trade.

Given the increasingly globalised nature of trade, it was recognised that Australia and Southeast Asia should build on their common strengths in presenting a unified approach to complex trading issues in the global arena. By building on its natural trading synergies, it was believed that the region as a whole could more effectively compete in the new global economy.

Most of the participants agreed that properly structured free trade agreements benefit the entire region through the creation of new wealth and jobs. At the same time, many participants stressed the need to bring important social issues, like human rights, corporate governance and the environment, to the negotiating table. The costs of development should not be underestimated. It is important for regional governments to create a social safety network for

those who have ‘fallen between the cracks,’ while putting more resources into education and technology in order to ensure that future generations can effectively compete in the global economy. Finally, there was a general recognition among the participants that ‘bottom-up’ economic factors will be a key driver in regional integration. Searching for a more effective business strategy, companies are seeking to disaggregate the manufacturing process – out sourcing different parts of the sales and manufacturing process throughout different cities and countries in the region – to assist them in more effectively competing in the global marketplace. Here economic fundamentals prove as important as government policy in shaping the economic future of the region.

‘I may be biased, but I thought the participants in The Gantner Myer Conversations were a very sharp and alert lot. All had something to contribute and most of them will become even more influential in years to come.’

Wang Gungwu CBE



10. L-R: Wang Gungwu CBE (Singapore) and Huy Truong (Australia).

SESSION 3: REGIONAL IMPACT OF THE US-LED ‘WAR ON TERROR’

THE DEADLY SEPTEMBER 11TH TERRORIST ATTACKS in the United States and the subsequent ‘War on Terror’ continues to have profound effects on Australia and the Southeast Asian region. The world has changed, as one participant astutely pointed out, for no other reason than the fact that the American perception of the world has changed. In spite of the fact that the Conversations took place before the recent terrorist bombings in Indonesia, there was wide spread concern among the participants about the threat of terrorism in our region and the consequences on the US-lead War on Terror for regional stability.

For Southeast Asia, as one of the participants put it, the good news is that the region is now back on the agenda in Washington; yet the bad news is that the region is now on the agenda as the ‘second front’ in the fight against global extremism. It was noted that the countries in the region lack a single, coordinated response to the threat of terrorism. To some extent this is a result of the growing sense of concern in Southeast Asia about the new wave of ‘Pax Americana’ sweeping across the region. Concern was voiced by many of the participants that the political leadership in the United States lacks a nuanced and highly sophisticated understanding of the situation in Southeast Asia. As a result, there is a danger that the US-led War on Terror will be construed as a ‘War against Islam’ among the large and heretofore moderate Muslim population in the region. In policy terms, it was highlighted by some, that the United States must be made to appreciate the fact that Southeast Asia is radically different from the Arab world in terms of its culture, history, politics and even religious philosophy.

Participants were worried that the new focus on ‘combating terrorism’ and ‘shoring up stability’ in the region will cause Washington to overlook the underlying conditions that facilitated the emergence of these movements – namely, weak states unable to enforce basic law and order, and the economic marginalisation and political subordination of large segments of their populations. Some members of the group felt that there was an overemphasis in Washington policy circles on a quick fix, military solution to the problem of Islamic extremism in Southeast Asia. One of the greatest dangers of a heavy-handed approach to the threat of terrorism in the region is its potential to radicalise the predominantly moderate brand of Islam and fan the flames of anti-West –including anti-Australian– attitudes.

Others, in contrast, were more sanguine about the possible effects of the War on Terror on the region. Rather than creating new divides, it was hoped that the mutual threat of terrorism would serve as a new basis for cooperation among Australia, the United States and the countries of Southeast Asia. Australia has a long history of bilateral and multilateral security relations with Southeast Asia. The manner in which Australia and Indonesia dealt with the East Timor crisis benefited from these long-standing relations. The new security concerns facing the region –unregulated migration, money laundering, transnational crime and global terrorism– require a regional response, which in turn opens up new avenues for closer cooperation.

Most of the participants agreed that Australia is well positioned to help explain the potential risks of US policy in the region. Australia can play a positive ‘bridging role’ in Washington, raising the level of the debate by explaining the complex roots of Islamic culture in Southeast Asia. If Australia and others are able to redirect Washington’s newfound interest in the region toward the construction of more stable and democratic institutions, the entire region stands to benefit.

11. L-R: Tran Vu Hoai (Vietnam), Principal and Managing Director, Thien Ngan Galaxy Co. Ltd.; Manu Bhaskaran (Singapore), Partner and Board Member, Centennial Group Inc. and Huy Truong (Australia).

12. L-R: Chusnul Mar’iyah (Indonesia) and Melissa Aratani Kwee (Singapore), Director, Office of Development and External Relations, United World College of South East Asia.

13. L-R: Dato’ Abdul Azim Mohd. Zabidi (Malaysia), Chairman, Bank Simpanan Nasional; Dewi Fortuna Anwar (Indonesia); James Terrie (Australia), National Director, Australian Republican Movement; Kobsak Chutikul MP (Thailand) and Wang Gungwu CBE.



SESSION 3: CONTINUED

Finally, a number of participants expressed their disappointment with the current Australian government's position on Iraq. While they felt it was unhelpful to link the Iraqi question to the problem of Islamic extremism, they were more concerned about the dangerous precedent any American interventionism and unilateralism in Iraq would create for the region. Most of the participants agreed that Australia and the nations of Southeast Asia should work through the United Nations and other international bodies to deal with the threat posed by Saddam Hussein and non-state actors such as al-Qaeda.

'This was certainly a worthwhile event and has helped me in my understanding of issues in the ASEAN region. The issue for me now is how do I help the process.'

Asgari Stephens



14. L-R; Dewi Fortuna Anwar (Indonesia); Duncan Hayward (Australia), Major, Australian Regular Army; Weeranuj Polnikorn (Thailand), Specialist in Art and Cultural Education, The Fine Arts Department, Ministry of Education and Asgari Stephens (Malaysia), Principal & Chief Executive Officer, Intelligent Capital.

15. FACING PAGE, L-R: Jenny Corbett (Australia), Head, Japan Centre, Faculty of Asian Studies, The Australian National University and Dato' Abdul Azim Mohd. Zabidi (Malaysia).

SESSION 4: MEDIA, CULTURE AND THE REGIONAL EFFECTS OF GLOBALISATION

THIS SESSION BEGAN WITH A QUESTION posed by one of the participants about the effects of globalisation on Asian cultural traditions. To what extent, he asked, can globalisation be equated to 'Americanisation'? Also, can former Asian colonies –the Philippines, Malaysia, China, Indonesia, and others– use their complex historical legacies to both understand and mitigate the negative effects of rapid globalisation and the consolidation of global media power?

Several of the participants called into question the influence and impact of 'American culture' on the world. Today, the rich cultural traditions of China, Japan, India and the Arab world can also be said to be global in nature. The United States does not have a monopoly on culture. The world's roughly 23,000 McDonalds restaurants pale in comparison to the estimated 1.5 million 'Chinese' restaurants that can be found throughout the world. Globally, there are only 322 million native speakers of English while over 836 million people speak Mandarin Chinese. It might therefore be naïve to talk about the 'Americanisation' of the world; instead, we need to develop a nuanced appreciation for the highly malleable and layered nature of 'national cultures,' and a better understanding of their ability to reinvent and reinterpret themselves through the process of cultural cross-fertilisation. All cultures are in a constant state of flux; yet, equally, they are rooted in specific locations and, as one participant pointed out, just as places are sensed, senses are placed. These senses are far more important and durable than the 'disposable culture' of Hollywood.

Others highlighted the fact that globalisation, as a cultural phenomenon, is as old as human history. Take for example, the history of human migration dating back to the Stone Age or the more recent experience of cultural exchange through the 'Silk Road' that linked Europe with China during the Middle Ages. After considering the fact that 'national cultures,' like 'national identities,' have been in a state of constant flux throughout the entire course of human history, one is able to better appreciate the provocative and often overstated nature of what the political Left calls the 'threat of globalisation' and the Right the 'clash of civilisations.' The countries of Southeast Asia, as one participant pointed out, have many centuries of experience in dealing with powerful cultural and political forces entering their region from outside –forces from India, China, the Islamic world and the West. In this sense, Southeast Asia may prove to have a special capacity for dealing with the forces of globalisation.



SESSION 5: RECONCILING WITH THE PAST AND MOVING FORWARD

THIS SESSION PRODUCED NO CONSENSUS on the importance of dealing with the history of past ‘sins’ in the region. Some felt strongly about the need for individual countries to come to terms with past abuses of power, while others saw little or no value in digging up old wounds, stressing instead the importance of moving forward.

One of the Australian participants argued that the loss of historical memory is equal to the loss of national identity, and stressed the need for all Australians to reconcile themselves with the ‘five sins’ of their past: the ‘sin of arrogance’ (the West – Australia – has all the answers), the ‘sin of exploitation’ (the use of another person or country as a means to an end); the ‘sin of ignorance’ (stereotyping other countries and cultures); the ‘sin of collusion’ (secret agreements or cooperation especially for an illegal or deceitful purpose); the ‘sin of indifference’ (turning a blind eye toward one’s neighbors at times of need). All of these sins, this participant contended, have contributed to the way in which Australians view their region and also to the lack of trust we meet in Southeast Asia among the business and political elite. A greater sense of humility, compassion, and tolerance were needed to combat these sins and build the mutual trust and understanding necessary for a high degree of cooperation.

Two other participants were equally passionate about the need for Indonesia to come to terms with its past history of political repression. It is impossible, they argued, for Indonesia to understand truth before it comes to terms with its past actions. They asserted that, unlike South Africa and other formally totalitarian states, Indonesia has thus far failed to create a public forum for the airing of such truths about the past. A public apology by this or that politician or military leader is insufficient for true national healing.

Several participants put the case of East Timor forward as an example of how past actions can serve as a continued source of tension and mistrust. Many Indonesians, it was pointed out, are unwilling to forget Australia’s role in East Timorese independence in 1999. There exists widespread resentment among Indonesian policymakers over Australia’s intervention in East Timor after years of vocal support for Indonesian territorial sovereignty. This sudden shift has contributed to the misperception in Indonesia that Australia aims to breakup the Republic of Indonesia. At the same time, the view was expressed that there is a need for Australians to

At the very least, the participants felt that globalisation is not something that most Southeast Asians regard as culturally threatening.

Despite their general optimism, several of the participants raised concerns about the issue of cultural ownership and the monopolisation of information. With the free and rapid flow of information and cultures across the globe, one participant questioned whether there still exists any right of cultural ownership? The West rarely sees any harm in the appropriation of culture. Generally, the term ‘cross-fertilization’ implies that the resulting hybrid is bigger and stronger than the sum of its heritages. If anything, Westerners tend to approach cross-fertilisation as an act of homage to another culture; rarely would they stop to consider that the result of cross-fertilisation might equally be viewed as bastard or mutant; or that people from the borrowed cultural tradition may well see borrowing as an act of colonisation and annexation – unwanted, unwarranted and inappropriate. This issue is of particular concern to the marginalised ethnic minorities in the region.

Other participants spoke with concern about the growing ‘CNNisation’ of the world. The current wave of globalisation is primarily a communication revolution. Over the last couple of decades, the distribution and consumption of information has become ‘quicker and thicker’ due to the proliferation of satellite and computer technologies – allowing information to reach more places more quickly. Yet, at the same time, the production of information is increasingly controlled by a small group of individuals who share a common political and cultural agenda. Most of the participants agreed that regional governments have an important role to play in not only preserving local indigenous cultures, but also in supporting alternative sources of information through the public funding of public radio and television stations and free community access to computers and the Internet.

come to terms with their governments' past policy of indifference toward the human right abuses in East Timor and elsewhere on the Indonesian archipelago. Until a framework is established for airing these and other misunderstandings, pent up fears and historical anxieties will continue to hinder bilateral relations.

Others questioned the importance of reconciling with past 'sins.' The Philippines was put forward by one participant as an alternative example of how nations choose to deal with past injustices. Most Filipinos continue to hold America in high regard despite its history of colonial rule in the Philippines, choosing instead to remember America's liberation of the Philippines from the Japanese during the Second World War, while emphasising America's long history of involvement in the Philippine's political and economic development. Through selective forgetting, Filipinos have removed the problem of forgiving and reconciliation. By wiping the historical slate clean, a number of participants contended, the peoples and countries of Asia can more easily achieve the type of integration necessary for them to compete and survive in the increasingly competitive global marketplace.

'I was delighted to have been given the opportunity to attend and was extremely impressed both with the quality of the participants and the organisation of the event.'

Greg Hunt MP



16. L-R: Greg Hunt MP, Federal Member for Flinders, Australian Liberal Party; Duncan Hayward (Australia); Anthony Milner (Australia) and Tom Harley (Australia), Vice President, Mergers, Acquisitions and Divestments, BHP Billiton Petroleum.

SESSION 6: REGIONAL SHIFTS IN MIGRATION AND POPULATION

GIVEN THAT THE ASIAN REGION contains the highest number of people classified as 'of concern' (refugees, asylum seekers, returnees and internally displaced persons) by the UNHCR, it is not surprising that the issue of migration and population flows generated intense discussion among the participants. The unregulated movement of people is quite naturally an issue of important concern to all the countries and governments within the region.

The Asian financial crisis of 1997–98 caused a sharp rise in the number of illegal migrants in Asia. It is estimated that 10–20% of Malaysia's 20 million residents are living in the country illegally, while there are nearly 1 million illegal workers in Thailand. As the group was meeting, Malaysia began forcibly deporting thousands of illegal Filipino workers from Kuala Lumpur back to the Philippines, sparking renewed political tensions between the two neighbors. In Australia, over 7000 people a year attempt to enter the country illegally, making the 'refugee question' one of the country's most important domestic political issues.

The group discussed the tension within Australian society between the need, on the one hand, to increase the migration of skilled workers to shore up the country's aging workforce and the need, on the other hand, to control illegal immigration in a humane yet effective manner. One participant called on the Australian government to set population targets to ensure that the country's population continues to grow and rejuvenate itself in the years to come.

The group recognised that no single nation can tackle this complex problem, and called instead for a cooperative and regional approach. Take, for example, the difficulty of patrolling the extremely long and highly porous borders that exist between different countries of Southeast Asia. Individual governments' lack the resources to effectively patrol their borders and cut off the unregulated movement of people, requiring countries to pool their resources and develop a more integrated approach to the problem.

One participant suggested the European Union as a possible model for the region, where goods and people flow freely throughout an integrated European economy. Others highlighted the important link between economic development and the free flow of labour. Immigrant populations, it was noted, help countries to regenerate both their economies and their cultures. At the same time, others sounded a note of skepticism about the suitability of the EU model for ASEAN. Southeast Asia, they pointed out, is far

SESSION 7: THE ROLE OF LARGE EAST ASIAN POWERS IN THE REGION

'I found the group to possess the right chemistry to push a range of ideas forward and this is premised on the strong rapport that was built amongst us over a very short period of only three days... it is no easy feat to bring together a diverse group of people from different backgrounds who found consensus in the end over a myriad of issues. You cannot get a better argument for a policy of engagement than that.'

Dato' Abdul Azim Mohd. Zabidi



17. L-R: Carrillo Gantner AO (Australia); Dato' Abdul Azim Mohd. Zabidi (Malaysia) and Baillieu Myer AC (Australia).

more diverse – in terms of its geography, level of economic development and sociocultural traditions– than Europe. They stressed the importance of regulating the movement of people across the region in order to maintain the social order and stability necessary for continued development.

All participants agreed, however, on the urgent need for a regional forum to discuss these important issues free from political rhetoric and domestic constraints. Some suggested as a starting point the need to rework the international legal framework for dealing with refugee and migrant populations, pointing out that the 1951 UN Refugee Convention is outdated and incapable of dealing with the complexities of the new global environment. While the issue of human migration is as old as mankind, the forces of globalisation have increased the pace and scope of the issue to the extent that a major rethinking of the legal framework is required.

IN KEEPING WITH WHAT A PARTICIPANT identified as the 'fundamental asymmetry' in Australian-Southeast Asian relations, Asian political leaders spend much of their time looking beyond their neighbours at the so-called large powers active in the region. Among the participants of The Gantner Myer Conversations, Japan and, to an even greater extent, China were viewed as crucial to the future health of the region.

Japan has been the top trading partner of Australia and ASEAN for many years. Yet, as one of the participants pointed out, the nature of the relationship has changed in recent years. From an economic standpoint, Japan is now less important to the region than before while, at the same time, the region is now more important to Japan. This realignment has important implications for the region. Japan is no longer capable of playing the role of the 'engine of growth' for the region. Yet, due to the enormous size of its economy, Japan will continue to play an important role in the region's overall economic growth. Two of the key drivers in Japan's engagement with the region are a sense of strategic competition with China and a sense of moral obligation as an economic leader in Asia. In addition, the continuing sense of uneasiness felt by most Southeast Asian nations over Japan's imperial past, and Japan's own domestic political debate over its role in Asia are blocking further Japanese engagement with the region.

The increasing importance of China to the economies of Southeast Asia and Australia was one of the key themes that emerged from not only this session but nearly all of our discussions. During the first 10 months of 2002, China-ASEAN trade generated US\$43.46 billion, up 28.3 percent on a year-on-year basis. China's exports to ASEAN grew 27.6 percent to US\$18.82 billion, while its imports from ASEAN climbed 28.9 percent to US\$24.64 billion. The two-way trade volume hit US\$ 23.6 billion in the first half of this year, an 18.7 per cent increase over trade in the same period last year. Unlike Japan, China has developed in the past few years a strategy for dealing with Australia and the ASEAN region. The recent signing of the Framework Agreement on China-ASEAN Comprehensive Economic Cooperation at the ASEAN-China Summit caught not only Japan but other regional players by surprise. Similarly, the recent awarding of a \$25 billion LNG contract to Australia reemphasised in the minds of many Australians the fundamental importance of the Chinese economy to further growth and development. While China initially moved cautiously in its dealings within the region, it has slowly become more confident and proactive –sparking both excitement and concern within the region.

SESSION 7: CONTINUED

As several of the participants pointed out, China's rapidly expanding economy is seen as both a threat and an opportunity for the region. Responding to this challenge, ASEAN has developed a two-prong strategy, on the one hand, to actively engage China through the ASEAN Regional Forum (ARF) and other consultative meetings, while, on the other, building up its own security capacities to guard against any 'ambitions' China might have within the region. ASEAN, some suggested as well, was originally conceived as a shield against China, and the ASEAN Regional Forum has proven extremely useful for discussing issues of common concern and working through any misunderstandings that arise.

The 1997-98 financial crisis was a real turning point in ASEAN-China relations, following the Chinese central bank's decision not to devalue the RMB. This decision garnered China tremendous goodwill in the region, and as the distrust of China wanes there is a growing realisation in both ASEAN and Australia about the tremendous opportunities the Chinese market presents.

One of the participants called for a better sense of perspective when speaking about China's role within the region. He reminded the group of the difficult political and economic challenges China currently faces. It is a bit premature, this participant warned, to view China as Asia's new superpower. In spite of its massive population and increasingly powerful economy, China faces a host of difficult problems associated with its rapid growth – from the need to maintain social stability to the challenge of dealing with rampant corruption, insider trading and its largely insolvent financial system. When the future of China's own economic reforms are far from certain, it is premature to speculate about its possible dominance of the region.

'I felt privileged to have been there, not only because I learnt a great deal but because of the people I met.'

James Button



18. L-R: James Button (Australia), Deputy Editor of News Packages and Features, *The Age* and Karim Raslan (Malaysia), Founding Partner, Raslan Loong.

19. Kevin Rudd MP (Australia), Shadow Minister for Foreign Affairs, Australian Labor Party.

SESSION 8: CONCLUSIONS

WHILE IT WAS NOT THE AIM of The Gantner Myer Conversations to attempt specific policy formulations, a number of key themes can be gleaned from our discussions throughout.

In spite of the existing strength of Australia-ASEAN relations, the participants agreed on the need to deepen and expand regional integration. While a number of concrete initiatives were discussed, no consensus was reached on what type of formal relationship Australia should try to achieve with ASEAN. It is important to keep in mind that ASEAN itself is still a developing organisation and that it took decades before Europe was able to achieve its current state of regional integration. Patience is important in considering future ASEAN-Australia relations.

A strong view was expressed on the need to further liberalise the movement of people as well as goods across the region, while acknowledging the need for a more effective system to facilitate and control this process. Despite the obvious challenges in this area, all agreed that the future health of the region depends on a more open and closely integrated region.

Many of the participants hit on the area of education and educational exchanges as a concrete and important method for strengthening economic, cultural and political ties between Australia and the ASEAN countries. Despite the strength of existing educational ties, there remains significant room for further improvement in not only encouraging more Australian students to study in Southeast Asia but also in ensuring that the governments in Southeast Asia and Australia make the study of Asian languages and societies an educational priority.

There was a growing pre-occupation, if not concern, among the participants with China's growing weight and influence in the region. The participants recognised the need to develop more effective strategies and institutional structures to manage the region's relations with China and other large powers, such as Japan and the United States.

The role of Islam in Southeast Asia featured prominently in the discussions. There was widespread concern that terrorism should not be handled in a heavy-handed manner. Disappointment was also expressed by many about the Australian government's current position on Iraq, and a fear that American policy in this area has the capacity to damage the cause of moderate Islam in the region.

It was also hoped that Australia's role as a close American ally would allow it to influence and broaden the ongoing debate about Islam and the War on Terror – contributing to a more nuanced approach to this important discussion. This is one of many areas where the participants felt Australia should utilise some of its political capital in Washington.

As Manu Bhaskaran said in his summary remarks at the closing dinner of the Conversations, 'there is genuine support for Australia playing the role of "honest broker" between ASEAN and the United States.'

Finally, all the participants agreed that the Conversations should continue, and suggested the possibility of holding the next round of discussions in Southeast Asia during 2004.

In addition to the important issues discussed, the participants agreed that one of the more important aspects of this type of second-track initiative is the ability to foster new personal and professional contacts – contacts that build real grassroots, intra-regional links that will continue to grow and develop long after the meeting has closed.

*'A really stimulating and constructive couple of days.
I think it changed a number of things in my mind.'*

Tom Harley



20. L-R: Rt Hon Malcolm Fraser AC CH (Australia), Former Prime Minister of Australia and Tom Harley (Australia).

CLOSING DINNER REMARKS

Mr Baillieu Myer AC

'I found the gathering to be extremely stimulating and rewarding – and I can't speak too highly of the smooth running of the whole affair... I've already been contacted by a couple of our Southeast Asian colleagues on some work-related issues, which would seem to bear out the value of such a gathering in enhancing people-to-people links within the region.'

Gillian Bird



21. L-R: HE Boedidojo (Indonesia), Consul General, Indonesian Consulate General; Michelle Teo-Jacob (Singapore), Acting High Commissioner, Singapore High Commission; Gillian Bird (Australia), Head, White Paper Task Force, Department of Foreign Affairs and Trade and Joshua Frydenberg (Australia), Advisor, Foreign Minister's Office, Department of Foreign Affairs and Trade.

22. L-R: The Hon Alexander Downer MP (Australia) and Peter Hay (Australia), Chief Executive Officer, Freehills.

PETER HAY, MINISTER DOWNER, SENATOR CHEN, distinguished guests and participants. Thank you for the opportunity to say a few words in summary of the Gantner Myer Conversations. Mine will be the first of two summaries – the other by participant Manu Bhaskaran of Singapore.

At the outset I should say that all participants agreed that we were well chosen and a very distinguished group. We all agreed, because we saw him at one stage, that Elvis Presley is alive and well, and that kangaroos on the Mornington Peninsula were plentiful but elusive, and lastly that the Indonesian representatives were somewhat better at Karaoke than others. There was also full agreement on the fact that Lindenderry was a great location for the Conversations and that The Asialink Centre organised them extremely well. Finally, we all agreed that the Conversations should be repeated after an appropriate interval at a suitable place.

Our conversations were robust, frank and friendly, and in due course a full report will be prepared for distribution to the participants and others. In the meantime, a few observations.

As many of you would know, the Conversations have been prepared over the last nine months – a time in which Jenny McGregor, Tony Milner and I visited numerous Southeast Asian capitals. Professor Wang Gungwu joined us in Jakarta. We were grateful for the assistance of the Department of Foreign Affairs and Trade for helping us set up numerous meetings. At those meetings we sought advice regarding the best way to proceed in developing the dialogue between Southeast Asians and Australians, including the type of issues which should be discussed.

I would like to thank you Minister Downer for your support in this process. I would also like to thank the Prime Minister and the Opposition Leader for their support for what has become The Gantner Myer Conversations.

The Conversations have been developed by the Asialink Centre at the University of Melbourne, in co-operation with the National Institute for Asia and the Pacific at The Australian National University. They have been initiated in memory of Asialink's first Chairman Kenneth Myer AC.

The group that came together at the Lindenderry Country House on the Mornington Peninsula over the last couple of days is certainly a varied one. It included representatives from seven countries, and included leading members of business, government, the media and academia. Over dinner, former Prime Minister Malcolm Fraser encouraged those from ASEAN

countries to be as frank as Australians tend to be, but in fact everyone was pretty frank from the outset. This was genuinely a positive achievement, and certainly one of the main aspirations we had in organising the Conversations.

The discussions that have taken place over the last three days covered ASEAN-Australian relations, but we spent a good deal of time mulling over issues of common concern to us all – issues such as illegal migration, the US-led War on Terror, and the role of the large East Asian powers within the region.

We had a vigorous discussion about the impact of globalisation – and one point made was that Southeast Asian countries have many centuries of experience in dealing with powerful cultural and political forces entering their region from the outside – forces from India, China, the Islamic world and the West. In this sense, Southeast Asia may prove to have a special capacity for dealing with globalisation.

We Australians particularly appreciated the opportunity to learn more about the problems, and even tensions, that operate within ASEAN and within individual countries in the region. It is fair to say that the Australian participants in this event listened carefully to the ASEAN participants. As one Australian commented, the discussions produced ‘many surprises.’ He felt that he received a different understanding of ASEAN countries from the one often encountered in the media. He was struck by the fact that our countries face many similar problems, but that we sometimes deal with them in different ways.

Another observation was that there is wisdom in the way Australia has been focusing on bilateral as well as multilateral relations. It helps us to appreciate the problems and strengths of specific countries, and therefore gives us a deeper sense of the region.

Listening to the talk among the ASEAN participants also reminded us of how much ASEAN is still a developing organisation. We recalled how very, very long it took to develop effective regionalism in Europe. This observation about ASEAN helps to underline the need for Australia to be patient, and to see any possible Australian involvement in ASEAN and East Asian regionalism as a long-term process.

On the other hand, virtually everything said at the Conversations suggested a warm interest in Australia taking an increasingly active role in the region. It was widely

‘I really got a lot out of The Gantner Myer Conversations. It made me realise how US and technology centric I have become.’

Huy Truong



23. L-R: Charles Goode AC (Australia), Chairman, Australia New Zealand Banking Corporation and Huy Truong (Australia).

accepted that there is lots of substance in Australia’s current relations. Trade and education were frequently referred to.

It was also pointed out by Malcolm Fraser, and a number of the participants, that Australia’s involvement in the region has been to a large extent bipartisan, and has taken place over half a century or more.

One area in which ASEAN participants called for more Australian involvement was in helping to influence US policy on the War against Terror. I must say that disappointment was expressed by some regarding the stand we have taken on Iraq. It was pointed out that American policy in this area has the capacity to damage the cause of moderate Islam in the region. There does seem to be a feeling that Australia’s experience as a US ally offers Australia a unique opportunity to influence the wide ranging regional discussions taking place today on the fight against terrorism in our region.

We talked a good deal about trade. Some worried that bilateral trade agreements might be disadvantaging the cause of multilateral trade liberalisation. On the other hand, the present negotiations with Singapore and Thailand were warmly welcomed by most participants, some saying that

CLOSING DINNER REMARKS: CONTINUED

such bilateral negotiations provide the opportunity to gain a much deeper knowledge of one another.

At one point, we had a particularly interesting exchange about the practice of politics and democracy. It was a moment when Australia's experience was particularly appreciated. Greg Hunt, the local MP on the Mornington Peninsula, spoke eloquently over dinner about his work in your office, Minister, and the World Economic Forum. At the same time, he told us of the duties he performs as an Australian parliamentarian. My Co-Patron, Professor Wang Gungwu, in thanking Greg, noted that the way he moved back and forth between the international and the local, the high policy and the everyday concerns of a local member, provided a valuable insight into the workings of Australian democracy.

International respect for the Australian politician is perhaps an appropriate place to bring this summary to a halt. Perhaps I should end by quoting one of the participants, who suggested, that like all good conversations, these Gantner Myer Conversations, while not providing us with all the answers, certainly helped stimulate better and better questions.

Mr Baillieu Myer AC

Co-Founder and Former President,
The Myer Foundation & Asialink Co-Patron

'The Conversations made me realise just what a dynamic and exciting world Southeast Asia is and how little Filipinos know about it. Our education is largely to blame. It is an education that is very much centred on the West, particularly Europe and America, but the Conversations showed how the present for the Philippines is Southeast Asia, Australia and China.'

Paul Dumol



24. L-R: Richard Wolcott AC (Australia), Former Secretary of the Department of Foreign Affairs and Trade and Paul Dumol (Philippines), Dean of the School of Education, University of Asia and the Pacific.

25. L-R: Robert Nicholson (Australia), Partner, Freehills and Leo Dominguez (Philippines), Partner, Quisumbing Torres & Evangelista.

CLOSING DINNER REMARKS

Mr Manu Bhaskaran

LADIES AND GENTLEMEN AND distinguished guests, I must first thank the organisers for putting together what was certainly a very useful and refreshing series of discussions. What was most refreshing for me was that it was the first conference I have attended in recent years where Asians (and I include Australia here) could speak on an equal basis and have their concerns heard. Too many similar conferences are these days dominated by a US agenda. It is significant that it was Australia that was able to organise such a conference – of which more later.

It struck me that if there was one theme that ran through the Conversations, it was the theme of ‘unfinished business.’ During the Conversations, we went through a whole series of big issues – economic integration, globalisation, the impact of China, dealing with ‘past sins’ and so on and it was significant that in all these areas so much work still needs to be done. In the crucial area of accommodating the emergence of China, for instance, we have yet to create political and economic structures that will help smoothen the process, allowing China a leadership position without trampling on the strategic or economic concerns of others. Similarly, in the area of economic integration, we have so much more to do for instance in just making the ASEAN Free Trade Area a reality.

So what does this point to in terms of an agenda for future action? Clearly, there is much to do. But before we get to the nitty gritty, there are a few building blocks which need to be created. First, we need to provide the intellectual underpinnings of the case for greater Asian co-operation. This can be done through meetings such as the Gantner Myer Conversations and through efforts to bring a much larger set of constituencies together to realise that co-operation will deliver real progress. Only when this is done can we overcome the lack of political will to compromise and trade-off which currently inhibits true progress in areas such as free trade deals.

And so, let me conclude by suggesting what this might mean for Australia’s role in the region. There was much discussion during the Conversations about whether Australia should or should not act as an honest broker for the Southeast Asian region. My own view is that it can and that Asians would be the poorer if we objected to Australia playing this role.



26. L-R: Peter Hay (Australia) and Manu Bhaskaran (Singapore).

The fact of the matter is – for cultural, economic and strategic reasons – Australia has a place of sorts at the high table of global politics. Southeast Asians do have some access but it is minimal compared to Australia’s. We do need Australia to convey our views, interpreting them in a language that the big powers will understand. We do need Australia to remind the big powers of the strategic importance of the region which is often neglected. And finally, Australia does have a role in creating the intellectual underpinnings of the process of greater Asian regional co-operation through meetings and processes such as the Gantner Myer Conversations.

Mr Manu Bhaskaran

Partner and Board Member, Centennial Group Inc.

THE INAUGURAL GANTNER MYER CONVERSATIONS

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