ANU Crawford Leadership Forum
Framing Papers
Global Realities, Domestic Choices
Rebuilding trust
23-25 June 2019
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Rebuilding trust in our major political institutions

Australians may be the most trusting people in the world when it comes to each other. In the most recent World Values Survey – to which the Australian National University’s School of Politics and International Relations is a major research contributor – we were more likely than any other country surveyed to say that ‘most people can be trusted’. But the love runs out when we are asked about many of our major public institutions.
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In the most recent World Values Survey – to which the Australian National University’s School of Politics and International Relations is a major research contributor – we were more likely than any other country surveyed to say that ‘most people can be trusted’. But the love runs out when we are asked about many of our major public institutions.

As the chart below drawn from the 2018 Survey shows, we do like our armed forces and universities, and trust our election results, but when it comes to political parties, the media, churches, unions, banks and big business generally, trust is low.

And that trust is not only low but getting lower. The numbers jump around as the spotlight shifts, with banks and churches more vulnerable in recent times, but the overall trend is downhill. Over the 37 years the Survey has been running, trust in churches, for example, has dropped from 55.7 per cent to 31.4 per cent, and in major companies from 79.2 per cent to 36.3 per cent.

But the most disconcerting declines in trust have been in those institutions critical to the quality of our democracy.

In 1981, trust in political parties was an already alarmingly low 16 per cent, but in 2018 it was a desolate 11 per cent. And whereas four decades ago 29 per cent of Australians had either a great deal or quite a lot of trust in the press, this has now fallen to 17 per cent. Most concerning of all is the loss of faith in the parliament itself. Over the same period trust in our nation’s legislature has halved from 56 per cent to 28 per cent. This should give us all reason to pause and reflect. Obstructing every measure put forward by the government may be a path to victory for an opposition. But it may turn into a pyrrhic victory if faith in the parliament itself continues to fall.

Australia is not an outlier in all of this, particularly in declining support for the major political parties – our compulsory and preferential voting systems making this less obvious here than elsewhere in final outcomes, but starkly evident in primary votes cast. Ever since the Global Financial Crisis of 2008 challenged the prevailing liberal political and economic orthodoxy there has been a shift towards illiberal politics and populism.

Figure 1: Australian's trust in public institutions

Source: I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all? World Values Survey Wave 7, conducted during 2017 and 2018
Donald Trump is simply an extreme example of a global trend, evident as well in countries as diverse as Brazil, the Philippines, Hungary and Italy. The European Parliament elections in May saw some strong results for populists but also for Greens and Liberals at the expense of centre-right and centre-left parties.

But it is utterly wrong-headed to blame the voters for the declining trust in politics. Painful though it sometimes is to admit, there is real truth in the old ALP mantra that ‘the mob always gets it right’. In a democracy the voters are the ultimate arbiters. Those who don’t like a particular result have no alternative but to examine the quality of their analysis and advocacy. And it’s not just our political parties but all the other institutions who are facing seriously low and declining levels of trust who need some similar introspection.

To help stimulate that process, our annual ANU Crawford Leadership Forum – often described as ‘Australia’s Davos’ (though without the Swiss event’s expense and exclusiveness) – will this year be built around the theme of ‘Rebuilding Trust’ in our public institutions and policymaking. The ANU was established in the immediate Post-War years with a strong mandate to contribute intellectually to the development of good national public policy, and we take that responsibility seriously.

The Forum in Canberra later this month, from June 23-25, will bring together again around 150 personally-invited Australian leaders evenly drawn from the public sector, business and media, and academic/think tank communities, to discuss current global geopolitical and economic realities – not least the ever growing US-China tension – and the domestic choices that flow from them. They will be joined by a stellar cast of US, European, Chinese and other Asian figures (including Malaysia’s leader-in-waiting Anwar Ibrahim).

In a global and domestic environment in which it is all too easy to succumb to paralysed pessimism, it is desperately important to bring together policymakers, experts and community leaders to generate informed public debate and encourage creative new solutions to both new and old problems.

This year’s Crawford Forum will be as good an opportunity as we will have for some time to address the malaise so obviously afflicting so much policymaking, and so obviously contributing to the decline of trust in so many of our public institutions.

Gareth Evans is Chancellor of The Australian National University, and was a Cabinet Minister throughout the Hawke-Keating Governments from 1983-96.

The World Values Survey (www.worldvaluessurvey.org), is a global network of social scientists studying changing values and their impact on social and political life, led by an international team of scholars with a Secretariat headquartered in Vienna. This article draws on WVS Wave 7, research for which was conducted in 2017-18 and led in Australia by Dr Jill Sheppard from The Australian National University.

The views and opinions in this article are the authors own and do not necessarily reflect those of The Australian National University.
Trends in trust

Trust – between individuals, between groups, and in our institutions – is vital for a society to function efficiently. Its apparent decline in Australia is at the heart of not only this forum, but public debate about the role of social, political, and corporate institutions in Australian life. The extent to which we can and should trust institutions to look after our individual and collective interests is also in focus.
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Current trends and issues
The extent to which we should be concerned about declines in trust depends on what we focus on. On some measures, Australians are the most trusting in the world: we are the most likely to say that ‘most people can be trusted’ based on recent World Values Survey data (Figure 1).

Trust in institutions
Australians’ trust in political and social institutions varies considerably by the nature of the institution. More than 80 per cent of Australians report either ‘a great deal’ or ‘quite a lot’ of trust in our military and police. Universities fare well, with more than 70 per cent reporting either ‘a great deal’ or ‘quite a lot’ of trust. Churches and banks both inspire little trust among Australians, but fare better than the government generally, parliament, unions, major companies, television, press, and political parties (Figure 2).

Trust in political institutions
In World Values Survey data from 1981, 29 per cent of Australians had either ‘a great deal’ or ‘quite a lot’ of trust in the press. In 2018, this had fallen to 17 per cent (Figure 3). Likewise, 56 per cent had ‘a great deal’ or ‘quite a lot’ of trust in the parliament in 1981, compared with 28 per cent in 2018 (Figure 4). Our trust in political parties has been consistently low (16 per cent reported at least ‘quite a lot’ of trust in 1995, and 11 per cent in 2018, Figure 5), but our trust in the public service is consistently high (47 per cent in 1981 and 49 per cent in 2018, Figure 6).

Comparatively, Australia sits near the median on most of these measures. But high rates of institutional trust are not a reliable indicator of democracy: Thai citizens have among the highest trust in their press (Figure 7) and political parties (Figure 8), for instance.

Trust in business and labour institutions
Australians have shown less trust in major companies since 1981, but the trend is not entirely consistent. In 2005, only 30 per cent of Australians reported having ‘a great deal’ or ‘quite a lot’ of trust, rising to 50 per cent in 2012, but falling back to 37 per cent in 2018. These movements are likely related to shifts in the global economy and trade (Figure 9).

Figure 1. Percentage of Australians who say that ‘most people’ can be trusted’ compared to other countries

![Figure 1. Percentage of Australians who say that ‘most people’ can be trusted’ compared to other countries](image-url)
Attitudes towards banks specifically seem clearer: in 2012, 7 per cent of Australians expressed ‘a great deal’ of trust, compared with 4 per cent in 2018. We might expect this percentage to fall even further as the implications of the Hayne Royal Commission take effect (Figure 10).

Australians’ trust in trade unions has declined slowly since 1981. Then, 56 per cent reported either ‘a great deal’ or ‘quite a lot’ of trust in unions. In 2018, only 32 per cent reported either sentiment (Figure 11).

Trust in universities

Australians’ trust in universities remains relatively high, with 73 per cent reporting either ‘a great deal’ or ‘quite a lot’ of trust in 2018. However, this is down from 84 per cent in 2012, the first year that this question was asked in the World Values Survey (Figure 12).

Internationally, Australians report an average level of trust in universities; slightly higher than in the United States but lower than Germany, Russia, Malaysia, and Greece (among others).

Discussion

Trust in Australia is in decline. Generally, we are more trusting of each other than are citizens in most countries of the world. But we have little – and decreasing – trust in our social and political institutions.

- Why do we trust each other, but not our elected representatives?
- Is it incumbent on governments and legislators to restore trust in institutions?
- Are there electoral, political or social reforms that might restore trust?

The World Values Survey forms part of an important long-term, world-wide study of values, and their impact on social and political life. These surveys show pervasive changes in what people want out of life and what they believe. The World Values Survey began in 1985 and now covers 97 countries, representing almost 90 percent of the world’s population. It is sponsored by The Australian National University. The Social Research Centre Pty Ltd, a national social research company conducts the survey on the University’s behalf.

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Figure 3. Australians’ trust in the press

Source: “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?” World Values Survey Wave 7, conducted during 2017 and 2018

Figure 4. Australians’ trust in the Federal Parliament

Source: “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?” World Values Survey Wave 7, conducted during 2017 and 2018

Figure 5. Australians’ trust in political parties

Source: “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?” World Values Survey Wave 7, conducted during 2017 and 2018
Figure 6. Australians’ trust in the public service

Source: “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?” World Values Survey Wave 7, conducted during 2017 and 2018

Figure 7. International comparison for trust in the press

Source: “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?” World Values Survey Wave 7, conducted during 2017 and 2018
Figure 8. International comparison for trust in political parties

Figure 9. Australians’ trust in major companies

Figure 10. Australians’ trust in banks
Source: “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?” World Values Survey Wave 7, conducted during 2017 and 2018

Figure 11. Australians’ trust in trade unions

Source: “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?” World Values Survey Wave 7, conducted during 2017 and 2018

Figure 12. Australians’ trust in universities

Source: “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?” World Values Survey Wave 7, conducted during 2017 and 2018
Growth without inequality

One of the commonly asserted drivers of mistrust of economic and political institutions has been the perceived unequal distribution of the benefits of economic growth. Are there options for distributing opportunities more fairly and what impact would these have on economic growth?
Growth without inequality

Martin Parkinson, Secretary, Department of Prime Minister and Cabinet
Carol Austin, Director, HSCB Bank Australia
John W. H. Denton, Secretary General, International Chamber of Commerce
Jenny Macklin, Former Member for Jagagaga, Australian Labor Party

Last year, the Productivity Commission conducted an extensive review of the state of inequality in Australia. The following draws on Productivity Commission findings.

Unfortunately, inequality is inevitable. It arises due to differences in ability, opportunity, effort and luck. Policy can increase or reduce inequality. The impact of small changes in inequality on growth is unclear, though it is clear that excessive levels of inequality can hinder growth.

If high levels of inequality reflect systemic entrenched advantage given to particular groups of citizens – and particularly if that reflects conscious government decision-making – the consequences for growth can be disastrous, as seen by the history of some Latin American economies.

The situation in most developed economies is different - levels of inequality are not as high, but public attention has focused on movements, which in many countries have seen inequality rise in recent decades.

Measures of inequality

Sustained growth over almost three decades has led to a significant improvement in average living standards in Australia. Over this period, income inequality in Australia has risen only slightly. Unlike the UK and US, Australia has enjoyed high income growth across all income deciles, with noticeably strong growth in the bottom deciles (Figure 1).

Australia's progressive tax and highly targeted transfer system substantially reduces the degree of income inequality (Figure 2). While most countries have some degree of tax progressivity, the extent to which taxes and transfers improve income inequality differs markedly across countries (Figure 3).

Consumption inequality can be a better measure as it more directly relates to an individual's welfare. In Australia, consumption inequality is around 30 per cent lower than disposable income inequality when in-kind government transfers (such as, education, healthcare and public housing) are included in people's consumption (Figure 4).

That said, wealth inequality in Australia has risen since the early 2000s (Figure 5). The bottom wealth decile experienced a decline in wealth over time while the upper deciles enjoyed strong wealth growth (Figure 6), due largely to increases in the value of housing and superannuation.

However, Australia's wealth distribution remains less skewed than in many other developed countries.

Figure 1. Comparative income growth by decile

Average annual income growth rate by income decile from the late 1980s to the mid-2010s, using equivalised disposable income expressed in US dollars using purchasing power exchange rates.

Source: Productivity Commission, Rising Inequality? A stocktake of the evidence, 2018
Relationship between growth and inequality

The relationship between inequality and growth is complex. Some redistributive policies address market failures that reduce national income. That said, other redistributive policies have the reverse effect, reducing incentives and economic growth.

Australia has had 28 years of economic growth, in part driven by the mining boom of the early 2000s, which resulted in the biggest terms of trade shock in history. Wealth and income growth accelerated in Australia during this time. But since the GFC, economic growth has slowed globally, including in Australia. Nominal wage growth has now been flat for several years, and labour productivity growth has slowed to an average 1.2 per cent per annum over the past 20 years, down from 1.7 per cent over the previous 20 years.

While some inequality may be necessary, and even desirable, in order to create incentives to work, save and invest, research shows that higher levels of inequality can hamper economic growth, including through higher social disorder, poverty traps and the higher taxation burden necessary to achieve some level of redistribution.

The OECD’s ‘Inclusive Growth’ agenda focuses on policies that seek to improve both growth and equality. Policies aimed at improving outcomes for women are at the heart of this agenda, which seek to grow the economy while more evenly distributing opportunities across the community.

How do we balance the desire for both faster growth and a more equal distribution of its benefits?

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Economic mobility, opportunity inequality and entrenched disadvantage

Traditional inequality measures (discussed above) provide a snapshot at a point in time. However, arguably more important is the extent to which individuals move across the distribution over time (economic mobility).

Economic mobility is high in Australia, with almost everyone moving across the income distribution over the course of their lives (Figure 7). But some Australians experience entrenched disadvantage.

Many Australians experience economic disadvantage at some stage in their lives, but for most, it is temporary. At any point in time, about nine per cent of Australians (2.2 million people) experienced relative income poverty (income below 50 per cent of the median).

Persistent and recurrent poverty – effectively, entrenched disadvantage – affects a small, but significant proportion of the population. About three per cent of Australians (roughly 700 000 people) have been in income poverty continuously for at least the last four years.

People living in single-parent families, unemployed people, people with disabilities and Indigenous Australians are particularly likely to experience income poverty, deprivation and social exclusion.

Figure 2. Tax and transfer effects on income inequality in Australia

Gini coefficients for equivalised private income, gross income and disposable income

Source: Productivity Commission, Rising Inequality? A stocktake of the evidence, 2018
**Figure 3. Effect of taxes and transfers on income Gini coefficient**

OECD countries, 2016 or latest

![Graph showing the effect of taxes and transfers on income Gini coefficient for OECD countries.](source)

**Source:** The Economist, 2019

**Figure 4. In-kind transfer effects on consumption inequality in Australia**

Gini coefficients for equivalised disposable income, private consumption and final consumption.

![Graph showing in-kind transfer effects on consumption inequality in Australia.](source)

**Source:** Productivity Commission, Rising Inequality? A stocktake of the evidence, 2018
Figure 5. Wealth inequality over time
Gini coefficients of equivalised wealth, Household Income and Labour Dynamics Australia (HILDA) survey, and the Survey for Income and Households (SIH)

Figure 6. Wealth growth by decile

Source: Productivity Commission, Rising inequality? A stocktake of the evidence, 2018
Global pressures and impact on South East Asia/South Asia

The sharpening of US-China strategic competition, China’s strategic ambitions and economic policies, the prospect of a technology “Cold War” and some of the Asia policies of the Trump Administration all raise challenges for the region. This session will focus on how the two largest democracies, India and Indonesia, are likely to respond and also the implications for ASEAN.
Global pressures and impact on South East Asia/South Asia

Peter Varghese, Chancellor, University of Queensland
Anwar Ibrahim, President, People’s Justice Party, Malaysia
Thomas Lembong, Chairman, Indonesia Investment Coordinating Board
Huong Le Thu, Senior Analyst, Australian Strategic Policy Institute
Siddharth Varadarajan, Founding Editor, The Wire

The sharpening of US-China strategic competition, China’s strategic ambitions and economic policies, the prospect of a technology “Cold War” and some of the Asia policies of the Trump Administration all raise challenges for the region.

This session will focus on how the two largest democracies, India and Indonesia, are likely to respond and also the implications for the Association of South East Asian Nations (ASEAN).

- How do we see US-China relations playing out and what will be the consequences for India, Indonesia, ASEAN and Australia among others. Is the US moving towards a full blown containment strategy and, if so, can it work? Where do China’s strategic ambitions end? Does China see itself as not only the predominant power in the Indo-Pacific but also globally?

- Are we inevitably moving towards a new “balancing China” equilibrium in the Indo-Pacific? If so, how will it emerge? Will it be organic or constructed? Who will be on the other side of the balance? Can ASEAN forge a consensus position on this or will it have a fractured view and effectively prefer to sit on the sidelines? How far will India be prepared to go in joining a balancing coalition? Where will Indonesia sit? How will China react?

- China and the US are not the whole story so how best to think about a multipolar Indo-Pacific? Will we see a series of spheres of influence across South East Asia, South Asia and East Asia? Will the US alliance structure remain strong?

- What role can regional institutions, especially the East Asia Summit (EAS) and ASEAN, play in counteracting some of the bifurcating trends in the region vis a vis the US and China. Do we need an Indian Ocean equivalent of the EAS or should the EAS stretch further into the Indian Ocean region? Can ASEAN rise above lowest common denomination positions?

- How important is a rules based international system to the region? If it is what can we do to halt its erosion?

- Are we heading towards a technology cold war? Does it make any sense to create two competing global supply chains for high technology products?

- Where to from here for the region on trade and investment liberalisation? Is global trade liberalisation dead? If so, what replaces it: bilateral Free Trade Agreements (FTA), regional trade agreements such as the Regional Comprehensive Economic Partnership (RCEP) or an Asia-Pacific Economic Cooperation- wide FTA? What is APEC’s role and how important is it to bring India into APEC?

- What will be the drivers of growth in the Indo-Pacific? Will China be the primary growth engine? What will India’s (and Indonesia’s) economic footprint across the Indo-Pacific look like?

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Trust in the public sector

Society is placing new and different pressures on the public service. Can we trust it to come forward with independent and rigorous policy recommendations for Ministers? Can we trust it to carry out the wishes of the elected government?
Trust in the public sector

Glyn Davis, Distinguished Professor of Political Science, The Australian National University
Heather Smith, Secretary, Department of Industry, Innovation and Science
David Thodey, Chair, CSIRO; and Chair, Independent Review of the Australian Public Service
Helen Sullivan, Director, Crawford School of Public Policy, The Australian National University

Society is placing new and different pressures on the public service. Can we trust it to come forward with independent and rigorous policy recommendations for Ministers? Can we trust it to carry out the wishes of the elected government?

The decline in trust is an international phenomenon, and appears to touch almost every institution, public and private. It has been associated with the rise of populism and an anti-democratic tide, as disaffected citizens look for solutions outside established political practice.

Australia has not escaped these trends, albeit without yet encountering the fundamental challenges to liberal democracy experienced in central Europe and elsewhere.

The Independent Review of the Australian Public Service, chaired by David Thodey, comes at an important time for one Australian institution, the Commonwealth machinery of government.

Surveys show it has lost standing with some in the community. In particular, the standards of provision for key services such as social security and Medicare, and broader questions of seamless access to information provided by government, has struggled to compete with the ease of use now common in interaction with banks and many utilities.

Yet all is not gloom. Some important experiments, such as Service NSW have shown government can be responsive, and can think from first principles about how to interact with citizens.

Discussion points

What are the challenges for the APS in implementing recommendations for the review?

Why do Australians not trust government? Is there anything the public service can do to change this?

What are the political consequences for democracy of citizen unhappiness with the quality of government?

Is innovation in government possible – or do the constraints of accountability and public law make it possible to have a Department of Innovation but not an innovative public service?

Are alternative decision processes such as citizen juries and the techniques of deliberative democracy necessary to change the trust equation?

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Prospects for the Chinese economy

Phenomenal Chinese growth has been a significant driver of economic growth globally and in Australia. Can we rely of this continuing? Is there a potential conflict between the centralisation of political power in President Xi Jinping, funding and the conditions necessary for sustained economic growth?
Phenomenal Chinese growth has been a significant driver of economic growth globally and in Australia.

Can we rely of this continuing? Is there a potential conflict between the centralisation of political power in President Xi Jinping, funding and the conditions necessary for sustained economic growth?

China’s re-emergence, together with India’s, has shifted the centre of economic gravity to Asia. China is the world’s largest economy in purchasing power parity (PPP) terms, at around US$25 billion, compared with around US$20 billion for the US and US$10 billion for India. While GDP growth rates for China of around 10 per cent were common during the 1990s and the earlier part of the 2000s, they have been around 6.5 per cent more recently. In comparison, US GDP growth rates have been around 2.5 per cent in recent years.

China’s labour productivity (GDP per hour worked) appears to be around one-quarter that of the US. China’s population is around four times that of the US. That is why China’s economy is now roughly the same size as the US economy. If China were to be able to increase its labour productivity to half that of the US, its economy would be twice the size of the US economy.

To lift its productivity substantially, China will need the latest technologies – adopting the technologies of American and other advanced economies and creating its own.

This helps explain the US-China rivalry over technology. The US is accusing China of stealing its technology, which is now part of the US-China trade war and geo-strategic competition.

Discussion points

- Will the US succeed in slowing China’s acquisition of its technology?
- Will China be competitive in creating new technologies?
- Can the US-China trade war, which began over a large US trade deficit with China and the imposition of tariffs by the Trump Administration, be resolved without a breakthrough on alleged technology theft?
- What will the global economy look like when China’s economy is twice the size of the US economy? Will this usher in a new world order?
- What is the future of the global rules-based trading system, and in particular, the World Trade Organisation, is a world characterised by ongoing US-China rivalry?
- Does the centralisation of political power in President Xi Jinping increase or weaken the prospects for further Chinese economic expansion?
Rebuilding trust in global institutions and norms

The rules-based order is a body of international law, rules, institutions and norms that shapes the conduct of states, restraining unilateral power and promoting norms of cooperation. It includes foundational international law, such as the UN Charter and the UN Declaration of Human Rights. It is supported by institutions designed to foster economic prosperity and international political stability.
Rebuilding trust in global institutions and norms

Frances Adamson, Secretary, Department of Foreign Affairs and Trade

The rules-based order is a body of international law, rules, institutions and norms that shapes the conduct of states, restraining unilateral power and promoting norms of cooperation.

Strategic environment: the changing world order

The rules-based order is facing significant and growing pressure. Consensus on some rules and norms has become weaker. Some institutions are becoming less effective. Power and unilateralism are being used to more overtly shape outcomes, solve grievances and pursue national interests.

- The US is no longer the dominant power – its ability and willingness to shape the international order is diminishing.
- Emerging powers – especially China – are shaping the order to better suit their interests.

How can we strengthen the rules-based order and rebuild trust? What is Australia’s role?

The erosion of trust in global institutions is part of a broader epidemic facing many institutions, amid a rise of populist sentiment, including in robust democracies (Figure 1). Restoring trust requires actions focused on restoring legitimacy through adequate representation, effectiveness and integrity.

Australia, alongside others, can play a role in addressing the criticisms and pressures facing the rule-based order. As articulated in the 2017 Foreign Policy White Paper, it remains in Australia’s interests to support the multilateral system, including championing its key characteristics of openness, cooperation over competition, consistency, predictability and commitment to fair arbitration.

Australia can demonstrate its ongoing commitment to strengthening trust in the rules-based order by:

- supporting judicious reform of key institutions, to ensure legitimacy
- championing free trade and the fair resolution of trade disputes
- advocacy in the Human Rights Council
- supporting initiatives to face threats where global commitment and action is indispensable
- crafting new rules for domains not comprehensively governed by international institutions
- working with like-minded coalitions, including non-traditional and cross-regional partners, on these objectives.

Domestic policy can promote Australia’s international interests, including:

- building resilience against disinformation
- addressing demographic challenges and promoting social cohesion
- strengthening domestic democratic institutions
- articulating a clear public narrative about the changing world and Australia’s place in it.

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Trust is at a breaking point. Trust in national institutions. Trust among states. Trust in the rules-based global order. Within countries, people are losing faith in political establishments, polarization is on the rise and populism is on the march. Among countries, cooperation is less certain and more difficult. Divisions in our Security Council are stark. Trust in global governance is also fragile, as 21st-century challenges outpace 20th-century institutions and mindsets.

Antonio Guterres, UN Secretary-General

United Nations Secretary-General’s Address to the General Assembly, 25 September 2018
Source: 2018 Lowy Institute Poll
Falling levels of trust in the media

A common feature of liberal democracies in the digital age is falling levels of public trust in the media.
Falling levels of trust in the media

Andrea Carson, Associate Professor, La Trobe University

A common feature of liberal democracies in the digital age is falling levels of public trust in the media. At the outset it should be noted that a certain degree of public scepticism about the news media is not necessarily undesirable. For example, earlier studies have shown that public trust in the media is generally lower in democratic states than authoritarian states, where it is unwise to question public institutions and state-controlled organs such as the media (Muller 2013). We see this in Figure 1 in relation to China.

In recent decades, public trust in the media in democracies has been falling (Ardèvol-Abreu and Gil de Zúñiga 2016). This is perceived as a problem because in an ideal setting the news media are seen as playing an important role to provide trustworthy information to citizens so that they are informed and able to meaningfully participate in the democratic process. Accordingly, citizens should be able to encounter diverse and multiple viewpoints in the public sphere, including those of dissenting and critical voices of the state. Italian political philosopher Norberto Bobbio (1987, p. 19) argued the role of the media is to inform citizens so that they can ideally ‘vote for the wisest, the most honest, the most enlightened of their fellow citizens’. Whilst this is a normative perspective, it does underscore the unique and trusted role that the media has played in facilitating public discourse in democracies. Also important are the constraints on public representatives to ensure they do not abuse their legislative powers or take undue advantage of the spoils of office by acting outside the rules (Carson 2019). This safeguarding role is often seen as the media’s watchdog role in democracies. A well-functioning democracy depends on the public being able to monitor its representatives and, on the state, accepting criticism of its own exercise of power.

But, trust in media has been falling over time, and according to the Edelman Trust Barometer, of the four institutions of business, non-government organisations and government, media has the lowest levels of public trust. Australia is not immune to falling levels of trust in media. However, different types of media have different levels of public trust. For example, the Australian Broadcasting Corporation is Australia’s most trusted media source, yet it is also falling over time (Figure 2).

Factors affecting media trust

Broken business model

There are myriad causes of falling trust in media, but many relate back to digital disruption with the commercialisation of the internet in the 1990s. The changing structure of the business model of traditional media, whereby advertising has been decoupled from news in the online environment, which in turn has resulted in falling revenues leading to massive job cuts and newsroom closures across the globe. This has led to ‘news deserts’ in parts of America (Abernathy 2019) and regional Australia (Finkelstein and Ricketson 2012). With fewer journalists to report the news, there are gaps in reporting and, with fewer sub editors and checks and balances in place, errors.

Figure 1: Trust in media in different countries

Hyper-commercialisation

In other instances, consolidating market forces and hyper-commercialism of news content in order to regain viewers and advertisers, has led to some outlets relying on down-market news or ‘clickbait’ stories to attract an audience and thus, advertisers. This dumbing down of news has also impacted on audience trust in news (Franklin 2008; Dahlgren 2009; Curran 2005).

Fake news

The rise of fake news this century has fuelled distrust in media. Fake news is an umbrella term that includes at one end of the spectrum: satirical news content, and at the other end, misinformation, malicious information and disinformation (Wardle 2017). While there is nothing new about fake news, which has been around since the New York Sun’s ‘Moon Hoax’ in 1835, unlike earlier times, fake news stories of the 21st century can spread further and faster through digital technologies. The internet and computer algorithms make it easier for misinformation to travel like wildfire across the globe, whether deliberate (fake news) or not (sloppy reporting). This is of major concern to those sections of the public who value integrity and trust in their news sources. Since the election of US President Donald Trump, public apprehension has intensified about ‘alternative facts’, his ‘war’ on journalists, and false news (Solon 2016). This is a problem because at the same time that journalism’s economic viability is questioned, public confidence in the veracity of news is challenged by the explosion of fake news (Mitchell et al. 2016).

A 2018 University of Canberra study found in its annual ‘Digital News Report: Australia’, that three quarters of Australian news consumers say they have experienced one or more types of fake news, which is close to the global average (Figure 3), and 67% indicated that they were worried about political misinformation. Public concern about fake news and trust in news matters because, as outlined earlier, inaccurate reporting has consequences for news media’s perceived role to provide for a well-informed citizenry necessary in a healthy democracy.

Figure 3: The percentage of Australians who had experienced fake news in the past week, compared to other countries

Source: In the last week which of the following have you personally come across? Please select all that apply. Poor journalism (factual mistakes, dumbed down stories; Misleading, headlines/clickbait); Stories where facts are spun or twisted to push a particular agenda; Stories that are completely made up for political or commercial reasons; Headlines that look like news stories but turn out to be advertisements; Stories that are completely made up to make people laugh (satire); The use of the term fake news (e.g. by politicians, others) to discredit news media they don’t like. Experience % is the proportion of respondents who have encountered any of the 6 types of misinformation. Digital News Report Australia: 2018.
Epistemic crisis

Media scholars such as Peter Dahlgren (2018, p. 20) argue that there is a public crisis in attaining trustworthy information that has to do with ‘the massive amounts and speed of information, the processes by which we construct knowledge, as well as the news forms of knowledge deriving from digital technologies’. He labels this an ‘epistemic crisis’ that threatens to undermine political agency as the traditional media have played a central role in shaping civic cultures, which is now being undermined by untrustworthiness. Further, he adds that the rise of populist politics around the globe has enabled the public distrust in media to be turned in to an assault on ‘basic Enlightenment premises’ that sees emotion elevated or prioritised over evidence-based knowledge.

Media regulation and social media

In the age of digital disruption, fragmentation of the media market has seen audiences getting more and more of their news from social media sites. In Australia, younger people are most likely to get most of their news from social media (Figure 4).

This changing news landscape has consequences for public trust in news, as social media is not subject to the same regulatory controls as traditional news media. Indeed, the multinational companies such as Facebook refute the notion that they are media companies preferring to identify as technology platforms. This raises the important question of the responsibility and obligations of social media companies to police false news. Following the livestreaming on Facebook of the Christchurch massacre in 2019, the spotlight has fallen on what responsibility the technology companies should and do have to protect the public from hate speech and harmful content. As the interim report of the Australian Consumer and Competition Commission raised in December 2018, what is the role of the Australian government in regulating social media?

Figure 4: Social media brands news by age (%)

Source: Which, if any, of the following have you used for finding, reading, watching sharing or discussing the news in the last week? Please select all that apply. Digital News Report Australia: 2019.

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Defence spending for self-reliance

Since the year 2000, we have seen four Defence White Papers and they have chartered large strategic changes in Australia’s position in the world. The world is changing in fundamental ways and we are in a period of transition. Self-reliance is a strategic policy framework that has existed in Australia for many years. Have we taken it seriously?
Defence spending for self-reliance

Brendan Sargeant, Strategic and Defence Studies Centre, Coral Bell School of Asia and Pacific Affairs, The Australian National University

Since the year 2000, we have seen four Defence White Papers and they have chartered large strategic changes in Australia’s position in the world.

The world is changing in fundamental ways and we are in a period of transition. Self-reliance is a strategic policy framework that has existed in Australia for many years. Have we taken it seriously? If we believe that we might need to be more self-reliant in the future, do we understand what that means and are we prepared to spend to support it?

Background

Australia lives in a strategic environment which is undergoing a major transition. This transition has been occurring for decades, but has gathered pace in recent years. Forces driving change include globalisation, the rise of China as an economic and, increasingly, a military power in the Indo Pacific, and the changing strategic posture of the United States, particularly when considered through the lens of the global trading system. More broadly, we are seeing economic development of countries across the Indo Pacific more generally and, most importantly for Australia, in Indonesia.

We are seeing the birth of a new strategic order. These forces combine to change Australia’s place in the world. Our relative power and economic weight in relation to other countries in the Indo Pacific is declining. This has enormous implications for all aspects of policy, including in Defence.

We might frame the Defence strategic policy challenge against this question: how do we maximise our ability to use Defence to strengthen our security within the emerging Indo Pacific strategic order?

“...

Issues for consideration

The Alliance

The United States is no longer a status quo power. It seeks change in the international system and is promoting policies designed to strengthen its economic position, potentially at the cost of the relative strength of the international economic and trading system as a whole. While the strategic focus of the United States is primarily on China, it is also trying to maximise its position more broadly in the international system. Whatever the outcome of current disputes between the United States and China, the rest of the world will change as a result. This has important implications for Australia’s alliance relationship with the United States, because we cannot assume that past assumptions that have underpinned the alliance will hold for the future. The United States is likely to exercise greater levels of discretion in relation to its future response to security challenges that don’t necessarily engage its core interests. It wants other countries to do more to support their own security, and this increasingly will be a test of how it assesses its strategic relationships.

How does Australia need to think about its alliance relationship with the United States in this period of change, and what are appropriate hedging strategies?

The Role of the ADF in Supporting Australia’s Security

The ADF has been on operations for over 20 years, in both the Indo Pacific and in the Middle East and Afghanistan. The weight of activity has been in the Middle East and Afghanistan, where Australia has participated as a junior member of US led coalitions. As a result of its operational experience, the ADF has optimised for participation in coalitions. The future is likely to demand quite different responses from Australia, and the operations required of the ADF in the future are not necessarily going to be the type that we have seen over the last two decades. If the ADF has optimised for coalition operations in an alliance context, what is its capacity to lead in response to a crisis in the Indo Pacific and what demands would a crisis in our region place on the current force structure?

The Design of the ADF

The ADF for structure has, in its broad design, been stable over recent few decades. Within that broad design, it has become a vastly more capable force. The major elements of the future investment – primarily in shipbuilding – but also including advanced strike capabilities and an upgrade of capabilities within the Australian Army, will consume major portion of the budget for the next few decades. Has the level of investment in a particular force design crowded out alternative force structure options, or reduced our capacity for adaptation in a strategic environment that could change very quickly?

Self-reliance

Behind these issues lies the question of self-reliance. In the 1987 White Paper, the formulation was: Australian defence policy is self-reliant within a framework of alliances and agreements. This broad policy framework has held with some variation since that time. There has been debate about what self-reliance means when translated into specific budgetary and force structure decisions, but there is, in my view, a broad consensus that Australia needs to be able to mount and conduct operations without necessarily relying on an external power for more than enabling support.
However, what does self-reliance mean in a future where we may be expected to do much more in our region and where we may not necessarily have the levels of support from our alliance partner that we have had in the past? More broadly, what does self-reliance mean in the context of a strategic order that will continue to evolve as the major forces shaping that order change?

**Budgets**

The heart of defence policy-making comes down to some fairly brutal decisions about where you are going to spend your money, how much you are prepared to spend, and what trade-offs you are prepared to accept as you allocate your budget.

The Australian defence budget, when looked at over the long cycle of history, does not change all that much. Year-to-year variations can seem very significant, but recent decades have shown that they tend to smooth out over time. The Defence budget has generally grown with the growth of the Australian national budget as a whole. Because we have become a richer as a country, we have, as a result, a more powerful ADF that is in the best shape it has been for many years, along with a Defence Department that through reform has a much stronger capacity to support the ADF. One might suggest that the relative stability of the budget over time has reflected an underlying confidence in the stability of the regional strategic order.

Yet Australia's relative position in the Indo Pacific, and therefore our capacity to exercise power, is declining. So, if we believe that we need to continue to strengthen our self-reliance, and if we are able to get to a broad consensus as to what self-reliance means, the question then comes down to, how much do we think self-reliance is going to cost? Is the amount that we are spending on defence sufficient to achieve this broad strategic goal? And if we are continuing to restrict defence spending, are there alternative strategies, either in the design of the force, its use, or through other instruments of national policy that might offer alternative approaches to achieving our security?

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Agricultural workforce

We know that productivity increases markedly with the access to reliable labour. The availability of agricultural labour – both skilled and unskilled – has constrained agricultural productivity in Australia since the earliest days of the colony.
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It has been an issue that has dogged the sector for nearly 200 years, and been at the centre of many high profile debates across that period:

• On 18 August 1843 it was moved in the NSW Parliament that a Select Committee “be appointed to take into consideration the necessity and means for reviving Immigration, and for ensuring the continuous introduction of a due supply of shepherds and agricultural labourers, an adequate supply of labour, and an increase of population, being essential to the present interests and future advancement of the Colony.” Earlier that year, the shortage of labour had become so critical that the MacArthur’s submitted a petition to the secretary of the state for the colonies to restart transportation.

• In 1891, the great shearers’ strike was brought about through the very successful unionisation of shearers, a worldwide depression leading to falling wool prices and as a result pastoralists wanting to decrease wages. The dispute was the genesis of the Australian Labour Party and early variants of the Conservative parties.

• In 1913 the heads of the Commonwealth bureaus of agriculture met in Melbourne on the need to increase and expand the application of mechanisation (innovation) to improve productivity and offset labour demand.

• In 1983, the landmark Wide Comb industrial dispute around shearer’s productivity and their perceived loss of award conditions.

Over the years, there have been attempts by government to address labour shortages in agriculture, in many and varied forms. Many interventions have had little or no positive impact, such as the recent Seasonal Work Incentives Trial. The longer-standing 457 visa has not met the requirements of farmers in terms of skilled and semi-skilled workers, and the proposed changes to the 417 visa (aka backpacker visa) caused outcry from farmers in 2014 and 2015.

The National Farmers’ Federation 2030 roadmap estimates that there is an immediate need for over 100,000 unskilled and semi-skilled workers in agriculture. The impact of this shortage on the productivity of the sector and the Australian economy is significant. The NFF documentation does not in any way address how to adapt and adopt what has been one of the most successful labour supply chains in Australia – the Seasonal Workers Programme (SWP).

The adoption and growth of the SWP has been highly successful in a number of areas, including addressing demand and labour compliance, and strengthening the Pacific relationship. However, its success is not without issues that need to be resolved.
The SWP and its companion program, the Pacific Labour Scheme (PLS), seem ideally suited to agricultural industries that are a single task and repetitive such as horticulture and abattoir services.

However the agricultural sector, government and the unions have not yet created a successful labour supply chain for semi-skilled and skilled agricultural workers.

The long-standing issue of the supply of reliable unskilled and skilled labour to support a strong sustainable agricultural sector remains unresolved. This appears in part due to the existence of two parallel agendas, one driven by government and one driven by farmers and their industry’s representation.

**Current trends and issues**

Current demand for labour significantly outstrips supply. The implication of this filter through to the whole of the agriculture sector, rural and regional economies and the Australian economy.

The changes to the conditions around the 417 visa in 2016 prior to the election have resulted in the number of workers on this visa returning to the 2014 levels.

Figure 1 shows that farmers cannot now argue that the visa conditions are negatively impacting visa holders working in agriculture.

The growth of the SWP 403 visa has been exceptional – see Figure 2. It is one of the most successful labour supply chains undertaken in Australia. Current growth is exponential.

Exponential growth in such a supply chain cannot last, but how long will it continue to grow before it peaks? There are many contributing variables. Important amongst these is the adoption or non-adoption of the program in extensive agriculture, the accommodation, tourism and resort sectors.

457 Skilled Visas for Agriculture, Forestry and Fishing are increasing (Table 1), but the number of applications granted is falling (Table 2)

The above table lends support to the argument by the agriculture sector that there is no visa class that meets their needs for skilled works.

**Predicting the future**

The ABS has attempted to predict future labour needs for the agriculture sector. Table 3 summarises their work.

The growth rates of the SWP (which is predominantly the horticulture sector) shown in Figure 2 clearly show that the latent demand predicted by the ABS is grossly under-estimated – by almost four fold [(27,210-8,450)/5,110]. Similarly, to predict that employment growth in the livestock and cropping sector is going to fall between now and 2023 does not
adequately account for the record prices for meat, fibre and grains currently being received and predicted to continue by ABARES.

ABARES has now been tasked with a $1 million study to ascertain future labour demand in the sector. The feedback from industry representative groups is that they believe the structure of and questions in the survey may not elicit the right answers. The ABS work shows, when the latent demand for labour is unlocked (as the SWP has achieved in the horticulture sector) labour demand is difficult to predict.

There seems to be a philosophical difference between the sector and government and its executive as to how this can be resolved. Government sees the SWP/PLS as a win-win situation for agriculture's labour demand and its agenda in the Pacific. The representative of the agricultural sector, the NFF, sees a specific mandated agricultural visa as being the resolution.

The issue that arises around the SWP/PLS is that its dual agendas do not sit comfortably with the agricultural sector as the program entails micro-management, higher cost and excessive intrusion into their business by government. Some parts of the industry mistrust government because of the dual agenda believing the Pacific agenda is more important than facilitating productivity and sustainability of Australian farm families.

The agriculture sector wants a labour supply chain that meets their needs. That is, one that is available and trained – not one that is imposed, that is costly, intrudes into their personal businesses and family lives through micro-management like no other labour supply chain in Australia, and has dual agendas. The PLS model driven by the private sector would seem to address these fears, but the NFF has to be an active, engaged, collaborative partner.

Discussion points

- Why has the SWP not been adopted by the extensive agricultural sector? What needs to change?
- Why does the SWP seem counter intuitive to farmers? – Is it because they are told the program is demand driven, but the micromanagement and compliance makes them feel they have no control?
- Why does the agricultural lobby in Australia support an agricultural visa and not SWP/PLS?
- How do we re-establish trust and respond to what the sector is seeking to the benefit of Australia socially and economically, and not fuel the marginalisation of rural and regional economies and inadvertently support the agenda of far right groups in rural and regional Australia?

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Myanmar: What do we need to know?

In the context of a heavily contested and often violent transition to more democratic government, conditions in Myanmar have deep implications for Australia and for the wider region.
In the context of a heavily contested and often violent transition to more democratic government, conditions in Myanmar have deep implications for Australia and for the wider region.

In this session we will look closely at how the diverse people of Myanmar have adjusted to their new political and economic terrain. We will explore the country’s political outlook, social cohesion, human rights situation, business environment, and security and diplomatic context. With a general election planned for late 2020, Myanmar’s decision-makers will be forced, once again, to grapple with a range of longstanding fault lines. A fresh consideration for leaders in Naypyitaw is the overwhelming negativity, in regional and global forums, about Myanmar’s treatment of the Rohingya Muslim minority.

Background

After over fifty years of military dominance, the past decade has offered new opportunities and challenges for the people of Myanmar.

Managing the country’s fragile transition to more democratic rule has not proved straightforward, especially in a context where civil wars continue to rage across the borderlands. Violence in the Rakhine, Kachin, Shan and Karen States has increased in recent years, encouraged by the uncompromising politics left behind after failed peace negotiations.

Since their triumphant win at the 2015 general election, Aung San Suu Kyi’s National League for Democracy (NLD) has remained popular at home while the gloss has come off its international reputation. The NLD still claims a mandate for reform but much of the country’s earlier positive momentum has suffered in the aftermath of the brutal security campaign against the Rohingya minority.

With troubling questions about the persistence of inter-ethnic and religious conflict, governments around the world are wondering about how to handle Myanmar’s next phase of political and economic change. Many international investors now also worry about the risks of doing business in a country that was, briefly, considered a promising frontier market. Assessments of Myanmar’s long-term prospects are now flavoured, more than ever, by wariness about reputational and political hazards.

At the official level, any Australian response to these issues needs to be carefully calibrated. Given its special geography as a cross-roads of Asia, global powers continue to jockey for influence in Myanmar. The fact that China has proved a resilient partner for economic development provides some confidence to the major players in Naypyitaw. In general, they are less inclined to seek Western allies for their future plans.

The paradox is that, at this stage, Myanmar’s struggle towards more representative government has offered new advantages to those with authoritarian instincts at home and abroad.

Evaluative tools such as the World’s Bank “Doing Business 2019” Economy Profile for Myanmar show the country dramatically lagging behind other ASEAN members in the quality of its business and regulatory environment (Figure 1).

Figure 1. Doing Business 2019 Economic profile for Myanmar.

Note: The ease of doing business score captures the GPA of each economy from the best regulatory performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy’s ease of doing business score is reflected on a scale from 0 to 100, where 0 represents the best performance. The ease of doing business ranking ranges from 1 to 190.

The World Justice Project Rule of Law Index (2019) shows a similar story with much more order and security than justice (Figure 2).

**Discussion points**

**Political outlook**
The NLD has struggled to clarify its mandate in a system still largely defined by the military’s long-term strategic intent. What is the current state of civil-military relations? As Myanmar heads toward a general election in 2020, what are the prospects for the NLD? Has Aung San Suu Kyi retained her popularity in recent years?

**Social cohesion**
Is there any prospect of better handling Myanmar’s deeply divided ethnic and religious communities? What role does social media play in building ethno-nationalism and creating religious grievances? With stop-start ceasefire negotiations, will Myanmar ever be at peace?

**Human rights and international perceptions**
How do we assess the ongoing Rohingya crisis in both Myanmar and Bangladesh? Do citizens and their leaders in Myanmar understand or care how this has affected international perceptions of the country? How should Myanmar’s neighbours and friends, including Australia, be responding?

**Economic reform and the business environment**
What has the past decade’s political transition meant for structural changes in the Myanmar economy? What role do military conglomerates play in the economy today? How are economic inequalities affecting the political mood? What do current evaluations of the business and regulatory environment such as the World Bank’s “Doing Business” Index reveal and conceal about the risks of engaging in business in Myanmar?

**Regional security and diplomatic affairs**
What are the political and economic vulnerabilities of Myanmar’s borderlands? What role does China seek to play in Myanmar, and how will that affect its domestic security? What influence does ASEAN have over Myanmar’s political and military leaders?

**Further reading**

by Nicholas Farrelly
https://asia.nikkei.com/Economy/Nicholas-Farrelly-50-years-on-ASEAN-remains-disconnected-from-its-people

by Thant Myint-U
https://asia.nikkei.com/Politics/Myanmar-an-unfinished-nation
https://asia.nikkei.com/Politics/Myanmar-s-resurgent-nationalism-shapes-new-political-landscape
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Feeding the world in a sustainable and equitable way

Access to better quality food and safer drinking water has played an important role in improving population nutrition, correcting dietary deficiencies, and increasing longevity throughout much of the developed world over the past 100 years. Despite these gains, millions of people across the globe are experiencing a double burden of malnutrition (undernutrition and overnutrition simultaneously).
Access to better quality food and safer drinking water has played an important role in improving population nutrition, correcting dietary deficiencies, and increasing longevity throughout much of the developed world over the past 100 years.

Despite these gains, millions of people across the globe are experiencing a double burden of malnutrition (undernutrition and overnutrition simultaneously).

At the same time we are confronting the threat of global food insecurity as we prepare to feed a population of almost 10 billion people by 2050 (1).

World-wide, more than 2.1 billion adults are overweight or obese, while another 820 million people do not have access to sufficient food (2). Poor diet is responsible for more chronic disease deaths (22% of all adult deaths) than any other risks globally, including tobacco smoking, high blood pressure and high cholesterol (Figure 1, 3). Malnutrition (both under- and over-nutrition) disproportionately affects the most disadvantaged members of the world’s population (4).

Since the 1960s, world food production has almost tripled, outstripping population growth which has doubled during this time (1, 6). Intensive food production along with the growing political and marketing power and reach of fewer but larger trans-national food companies has led to increased production of (and demand for) high energy, cheap foods. Across the globe, this has resulted in a move from traditional diets to ones high in animal proteins, low in whole grain (cereals, fruit and vegetables), and high in processed food, sugar and salt. This change to intensive food production has come at a cost to our planet. Agriculture occupies 60% of the world’s land and is responsible for 70% of freshwater usage. Approximately 60% of the world fish stocks are fully exploited or overexploited, and the food system contributes 30% of global greenhouse gases (2). Each year, an estimated one-third of all food produced for human consumption is lost or wasted world-wide (7).

Figure 2 highlights the difference between what is produced globally and what is required to support nutrition for everyone across the world (8).

Since agriculture began 12,000 years ago, approximately 7,000 plant species and several thousand animal species have been used for food (9). Today, only 15 plant crops and 8 domesticated animals supply 90 percent of the world’s food energy requirements. The three big crops (rice, wheat and maize) provide 60% of the world’s food energy intake (10). Biodiversity and food variety are key indicators of a resilient food system.

The way the world grows, transports, processes and markets food is increasingly disconnected from the consumer. Consumers have little ability to track the origins of our food, the conditions in which it was produced, its true nutritional profile or its full environmental impact. This lack of transparency has undermined consumer trust in ‘big food’. And without transparency, we’ve been unable to engage in a fair, thoughtful and productive policy debate.

What is needed?

To achieve the UN Sustainable Development Goals and the Paris Agreement by 2050, and feed a population of almost 10 billion people, a great transformation is needed: a transformation to a sustainable food system that’s good for the planet and our health (11).
The challenges of obesity, undernutrition, health equity and sustainability require a stronger food democracy, one that encourages transparency and food stewardship, systems-oriented responses, and the engagement of diverse networks and communities.

Our health, the health of future generations, and the health of our planet depends on us. The question is, whether we care enough to be a part of the transformation?

Discussion points

This session will provoke discussion about how we can move towards transforming our food system by examining some of the underlying questions.

- How do we change the dominant industrial food system so that it is healthier, sustainable and fair?
- How do we shift agricultural production priorities away from high volume food to more biodiversity-enhancing and traditional food crops (rather than animal feed crops)?
- How can we achieve a food governance structure that enables all key actors within the food system (at the local, national and global level) to work together to achieve a healthier, more environmentally sustainable and fairer food system?
- What is the role of civil society? How can their engagement in leading change be strengthened?
- How can citizens (consumers) disrupt the status quo and demand positive change in the food system?
- What does industry need to do to contribute to healthier, more equitable and sustainable food systems?
- How can the influence of large commercial interests be managed so that food policy development and implementation supports this positive food system transformation?
- How can Indigenous stewardship and knowledge be embedded in the transformation of food systems?

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Enhancing pacific investment - private sector perspectives

Both the government and opposition are committed to increasing private investment from Australia in the Pacific Islands, in part through a Pacific Infrastructure Financing Facility, but is this the most effective and efficient strategy?
Both the government and opposition are committed to increasing private investment from Australia in the Pacific Islands, in part through a Pacific Infrastructure Financing Facility, but is this the most effective and efficient strategy?

Australia is also committed to enhancing people-to-people linkages with the region, what sort of linkages would benefit private sector investment? We have heard from the politicians, now we have the opportunity to gain insights from leading private sector experts. What is the best way forward? What has past experience taught us about the most effective ways to stimulate private sector investment in the region? If there is a role for government, what is it?

- There is a desire by government to improve ways of connecting and leveraging Australian private sector activities in support of wider development and foreign policy objectives in the Pacific, what are the private sector views of their role and contribution? What policy settings are needed?

- Australia is establishing a Pacific Infrastructure Financing Facility, but is this the most efficient strategy to address significant infrastructure shortfalls in the region? How should such a Facility interact with existing financial institutions for maximum effectiveness?

- The Australian Step Up is committed to enhancing people-to-people linkages in the region, what sort of linkages would benefit private sector investment and how could they be improved?

- Pacific Industrial Companies have assessed their ‘costs of doing business’ and in some cases worked to decrease them, where are the areas where most gains could be made now?

- There has been ongoing discussion about Pacific debt and the incidence of ‘debt distress’ in the region – from your agency’s / sector’s perspective, is there a problem and if so how can these sovereign nations and their allies best manage it?

- Does the private sector see increasing engagement by China a threat or advantage to their interests?

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Trust in the bush

The complex and changing perspectives of rural and regional Australians are as diverse as the landscapes and localities in which they live. These divergent and often locally-driven perspectives makes politics in the bush increasingly unpredictable. In many rural and regional electorates around Australia we now witness previously ‘rusted on’ voters testing new options to improve political representation and local services.
Around 8.8 million people live outside the five major cities of Australia in smaller cities, rural towns and remote communities.

These diverse regional populations are located across the continent with the more densely populated regions concentrated in the South East (see Figure 1). Regional areas in Australia offer diverse employment opportunities. Despite the popular myth that ‘country Australia is all about farming’, only around 140,000 people work as farmers or farm managers in Australia (ABS, 2012). Agriculture more broadly employs around 300,000 people, and the entire supply chain of food and fibre industries is estimated to provide around 1.6 million jobs to the Australian economy (NFF, 2017). Other significant industries providing employment in regional Australia include tourism and resource development (e.g. timber, mining, renewables).

The policy issues facing regional Australia are multiple and vary from locality to locality. Many regional communities face massive water challenges, job insecurity, service delivery concerns, and increasing community division over new development, particularly controversial mining or renewables industries. Though diverse, what many people in regional Australia share is a strong connection to place and the communities in which they live. According to the Australian Unity Wellbeing Index people in regional areas typically have higher well-being and stronger social capital than in urban areas (Capic et al 2017). Economically regional areas differ from major metropolitan areas in the following ways (Wood et al 2018 p. 48): “incomes are lower on average, access to government services – particularly health and public transport – is poorer, and the population is growing more slowly, if at all.”

When it comes to trust in government and politics, longitudinal surveys indicate that people in regional areas have declining levels of trust in government and political leaders. As shown in Figure 2, declining trust in the bush is the same as trends seen in the cities.
According to the 2018 World Values Survey, 70% of respondents in Australia's regional areas had low or very little trust in the federal government. Another survey suggests that around 75% of people in regional Australia feel ignored by politicians and policy makers (Sheppard 2017 cited in Wood et al 2018). These trust figures are very similar to those in urban areas.

Overall our current understanding of political trust in the bush is patchy. While levels of distrust appear to be consistent across the nation, the drivers of that distrust are likely to differ between urban and bush populations, and also between regional areas depending on specific local concerns. This diversity in political preferences was evident in the different electoral outcomes in regional seats in the recent 2019 federal election.

Current trends

Regional Australia is experiencing major demographic and physical changes

The demographic characteristics of regional Australia are changing, but not uniformly across the nation. While populations in some regional centres are growing, the population of most smaller towns is stable or in decline (see Wood et al 2018). Overall population growth in regions is much slower than in urban areas where there is greater migrant settlement. Regional communities are also directly experiencing the physical effects of climate change: weather has become more extreme and unpredictable, with some communities enduring catastrophic flood and fire events that have resulted in the loss of lives, infrastructure, stock, flora and fauna.

Regional communities are in transition

Regional areas in Australia are transitioning away from agricultural-based economies towards other sectors and forms of employment, including tourism, service, mining and renewables (e.g. wind and solar) (PC 2017). Some of these new or expanding industries can be very divisive for local communities, for example the development of coal-seam gas or wind and solar farms (Colvin et al 2016; Hendriks et al 2019).

Regional people are disillusioned with major political parties

People in regional areas feel left behind and ignored by major parties and politicians, according to recent qualitative and quantitative research (see Sheppard 2017; Wood et al 2018). Regional people also feel unrepresented by major parties (Wood et al 2018), including the National Party, which has its roots in country Australia. In its coalition with the Liberal Party, the National Party has had to step away from some of its traditional values (such as regional exceptionalism, ‘countrymindedness’ and agrarian collectivism) (Botterill and Cockfield, 2015). Much of the growth in votes for minor parties and independents has come from regional electorates (Wood et al 2018 p. 14). But the picture is further complicated by the fact that the complex and diverse issues facing regional communities – which are often around place-based concerns – are not well served by centralised party politics.

Regional people feel alienated from policy making

Distrust in the bush is not only directed towards parties and politicians but towards government - both state and federal. According to community groups in Emerald, Mildura and Whyalla people in regional Australia “feel shut out of policy making, as the big decisions that affect them are made far away in the cities…. without respect for the ‘history, social context, and future’ of regional communities” (Wood et al 2018 p. 67).

Part of this political alienation is that policy solutions, especially those that rely on markets, for example around water, health and disability, can be ineffective in regional areas because the markets are thin or non-existent. According to the Regional Australia Institute (RAI 2018): “Current policy settings are dominated by a view of regions as a series of markets that can be serviced by competitive, uniform funding processes. However, regional markets are anything but uniform, and “thin” regional markets are anything but competitive.” Failed or ineffective policy solutions often leave regional communities with not only poor services but also a lack of agency. They
can fuel a sense in regional areas that government processes are unfair or even corrupt, and that those with power are not listening to the needs and concerns of rural people.

**Many regional communities feel left behind and let down on services**

Survey research reveals that many regional communities want improved services and infrastructure, especially in health, transport and telecommunications (Wood et al 2018). In the lead up to state and federal elections, it is common for politicians to make promises to address policy challenges for those living outside the major metropolitan areas. Failure to deliver on these promises seeds distrust towards government, as one elderly regional resident explained in a focus group (Evans et al 2017, p. 26): “Keeping your word. That’s a big thing with me. Don’t tell me you’re going to do something and not do it because I’ll never trust you again.”

**Regions are engaging in innovative problem solving**

In some areas around Australia regional communities have taken initiatives to solve service delivery issues or to resolve complex policy issues (see Chan 2018; Dzur & Hendriks 2016). For example, regional areas have seeded numerous innovative start-ups and social enterprises where communities are bypassing government and working directly with the private sector and/or community organizations. Other regions are actively trying to boost local employment by facilitating and attracting innovative start-up businesses and creative industries.

**Discussion points**

- How can Australia develop a more nuanced narrative around regional Australia?
- What are the main drivers of distrust in politics and government in regional Australia? How can we improve our understanding of these drivers and what to do about them?
- How can our political system better listen to, and represent the diversity of issues facing regional Australia?
- How can communities in regional Australia meaningfully contribute to collective decisions on regional development and local land-use more broadly?
- How can governments, businesses and civil society empower and assist regional Australia to develop liveable and economically viable local communities?
- How can we better facilitate and/or regulate corporations and investments in regional Australia?
- What is the role of media in regional and rural communities?
- How might we improve understanding and communication between urban and regional communities?

**References**


The views and opinions in this article are the authors own and do not necessarily reflect those of The Australian National University.
Sustainable global supply chains

With the advent of globalization and the digital age, consumers, governments, and companies are increasingly demanding information about supply chain practices including where, how and under what conditions goods are sourced.
With the advent of globalization and the digital age, consumers, governments, and companies are increasingly demanding information about supply chain practices including where, how and under what conditions goods are sourced. In response, governments all around the world are focusing on sustainability, drafting laws and regulations that industry and businesses must follow. On a positive note, these regulations have accelerated the discussion on supply chain sustainability to the Board and executive level. Companies driving this agenda will be able to achieve a sustained competitive advantage – managing regulatory action and winning consumer confidence, while laggards will be exposed to regulatory issues and adverse consumer reaction.

By working closely with suppliers, and engaging with the right third party organisations (for example NGO’s), companies can lessen their environmental and social impact. Done right, companies can make a significant impact through supply chain choices in promoting human rights, encouraging safe and fair work practices, driving environmental progress and embedding anti-corruption policies. However, achieving this is easier said than done. For enterprises in a globalised economy, supply chains can be long, complex and fragmented, making visibility and the ability to objectively check standards difficult. Lesser standards adopted by business competitors have price implications and can impact on market share.

Supply chain leaders often cite the increased complexity of supply chain flow as one of the top challenges they face. Even though a company may work hard to implement sustainable practices and clean up its internal operations, these efforts are diluted unless the company also addresses sustainability across its extended global supply chain.

With this context, the question that naturally follows is ‘what exactly constitutes supply chain sustainability?’ Today’s discussion will cover sustainability within global supply chains focusing on three core areas:

1. **Traceability and provenance through the supply chain**

Industry and business is increasingly expected to be open and transparent about their supply chains, right back to raw material production. Greater levels of supply chain transparency have the potential to drive global transformational change, achieving better social and environmental outcomes at every stage.
2. Environmental and social sustainability

To make and sell goods, companies need affordable, reliable supplies of energy, natural resources and labour. They need to engage with businesses in many different countries around the world to make, transport and sell their goods in the global marketplace. As governments all around the world introduce new standards to improve environmental and social sustainability, companies are increasingly required to deliver goods and services without taxing the environment or human welfare.

3. Increasing visibility across the supply chain

By sharing data and information across all tiers of the supply chain, companies can improve customer service and cost controls through active management of inventory in motion and proactive status updates, while limiting disruptions and reducing risk. However, companies without this visibility can easily lose control over the inbound supply network, causing bottlenecks and inefficiencies.

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