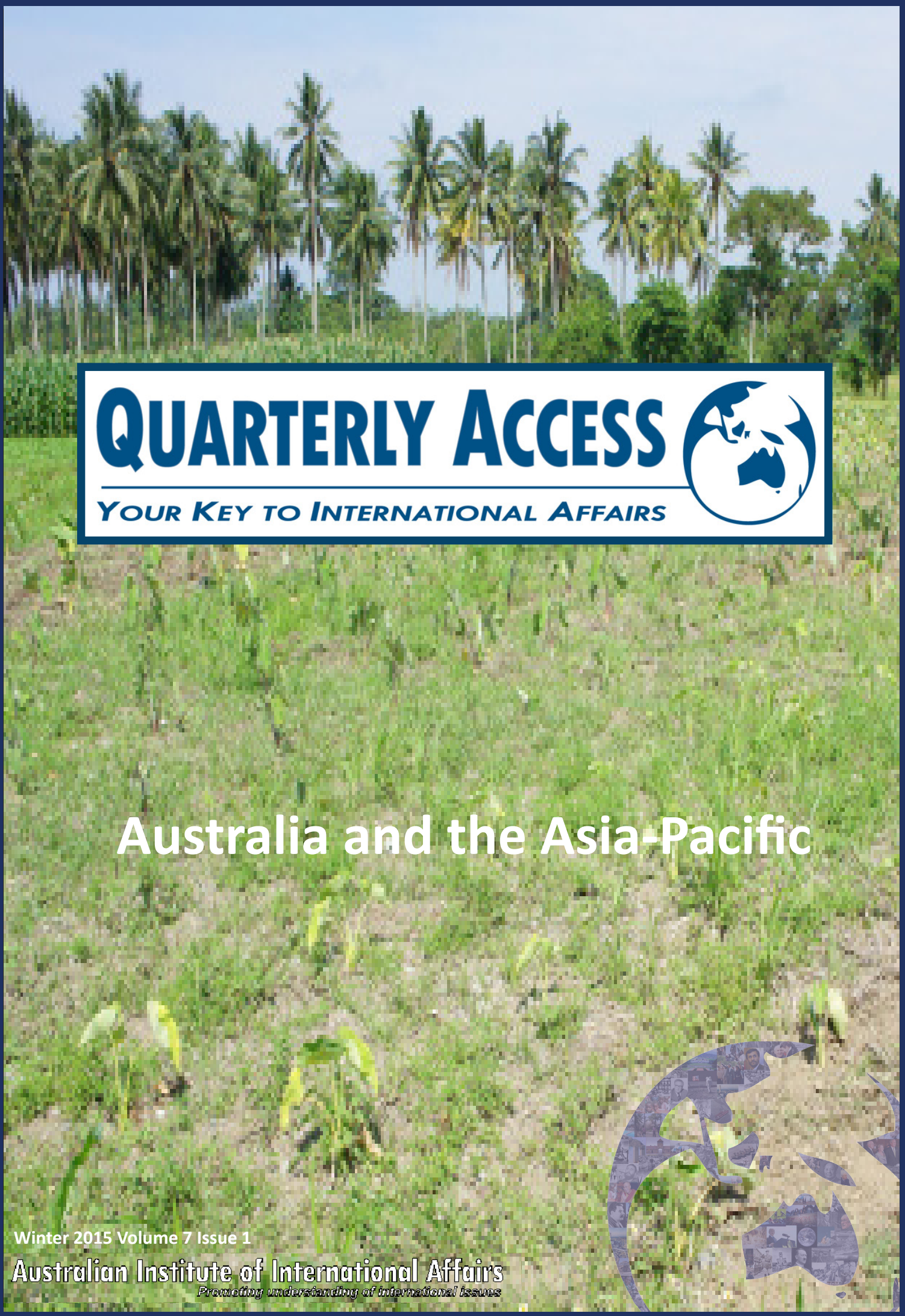

QUARTERLY ACCESS

YOUR KEY TO INTERNATIONAL AFFAIRS

Australia and the Asia-Pacific

Winter 2015 Volume 7 Issue 1

Australian Institute of International Affairs
Promoting understanding of international issues

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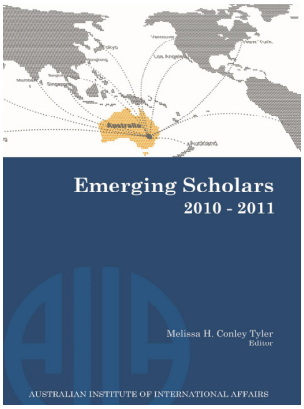

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The 2015 Winter edition of *Quarterly Access* is the first to be produced by the new editorial team. We say goodbye to a number of outgoing editors, including David Donaldson, former Editor-in-Chief. I would like to thank Liz de Fegely, Katherine Brown, Matilda Quinn and David for all their hard work over the past few years.

While the international spotlight has been firmly fixed on the Middle East in recent months, this issue of *Quarterly Access* focuses on the Asia-Pacific region.

Rajinder Azad writes a reflective piece on the impact of India's caste system on his own identity as an international student in Australia.

Matthew Sinclair provides policy recommendations on the Australian Government's Agricultural Trade Facilitation program.

Jennifer Fang explores the question of whether Taiwan is still a potential source of conflict in the region.

James Davies surveys the ongoing conflict between Buddhists and Rohingya Muslims in Myanmar which has caused the recent humanitarian crisis in the Andaman Sea.

Finally, Guy Kelleher's article is a timely examination of the polarisation of US politics. His article is essential background reading for the upcoming presidential race that Jon Stewart has dubbed 'Democalypse 2016'.

Thank you to all the editors and authors for their contributions to this issue.

Hector Sharp
Editor-in-chief

The Question of Identity

Rajinder Azad

This article is dedicated to the memory of the honourable Dr. Bhim Rao Ambedkar (14 April 1891 - 6 December 1956), revivalist of Buddhism in India, the first Minister of Law for an independent India and the chief architect of the Indian Constitution Drafting Committee. In doing so he made a large contribution to the construction of the world's largest constitution, and the world's largest democracy.

Dr. Ambedkar's struggle for the rights and respect of 60 million 'untouchables' allows me to address you through this publication. Without his efforts I would have remained an unfortunate member of that class.

Today India has more than 160 million people who belong to the untouchable class. They are also known in India as 'Dalits'.

As Australia is a nation with diversity in culture, religion, language and faith, the question of identity became most prominent for me after coming here.

Someone may call his/her identity a nationality, ethnicity or religion, which is a macro level identity. However within every society or community, identities acquire micro form.

I am Indian by nationality and Punjabi by ethnicity, but the acquisition of this identity only came into play about eight years ago when I moved to Australia. Growing up in India for 19 years, I did not need to say that I am an Indian Punjabi!

It is important to talk about those 19 years of my development as a child and as a teenager in a rural village called Herian. The past eight years as an 'Indian Punjabi' did not affect my development as much as those 19 years in Herian.

My philosophy, aims, thoughts, interests, inspirations, decisions, actions and reactions are dependent upon the lifestyle and society that I was exposed to for most of my life in India.

During the transition from childhood to teenage years, the only thing I knew about my identity was that I belonged to a lower caste called 'Chamaar' (Cobbler); I had grown up watching my grandfather make and repair shoes for people in our village. He has done this for most of his life and continues to do so. I found nothing wrong with that until some people started abusing my friends and I by calling us "filthy Chamaars".

I remember being punched in the face by some rich and higher caste boys during our village festival. They had come to visit India from England, and attacked me because I was a Chamaar and had stood next to them to watch the bull races.

I never understood why our caste was so disgusting to them.

My grandparents, who came from Pakistan during the partition of India in 1947, told me that they had experienced the worst of caste-related discrimination. They told me stories of their personal experiences as servants of higher caste people for their whole lives, and continuously enduring abuse in the name of our caste.

However when I saw it happen to my parents, it really shocked me.

I made it through Year 12 and commenced a degree in science, but my questions were still present in relation to my experiences and observations. I continued to hear unimaginable stories of caste-related discrimination and violence in print and electronic media.

My science studies gave me new methods of observation, exploration, analysis and conclusions, and I brought these with me to Australia as an international student.

Imagine my astonishment when I found two young men arguing with each other and using my caste name as an abusive word in my residential college in Melbourne. There are even custom number plates referring to caste names which can be seen on Melbourne roads almost every day. I felt the same as I used to in India.

According to my observations while an international student in Melbourne, Punjabis often use the words 'Chamar' and 'Chooda' in order to release their anger on someone or make fun of someone. Often people of African descent are referred to as 'Chamars' or 'Choodas' as well, because of their dark skin complexion.

At Punjabi social gatherings I have heard people talking about their sexual amusements with women of lower castes who have become their victims while working on their farms.

The astonishing part is the caste mindset of Australian-born Indians who also use the same words as their parents in day to day family life. These people are seen going to temples of God, participating in religious ceremonies, and making donations, and yet these same people are spiteful to others according to their caste.

You might have noticed that overseas-born Indian adults are increasingly posting funny 'Punjabi Vines' on Facebook, in which they also declare their high caste supremacy and make fun of 'Chamar' and 'Choodas'.

I have also met an Indian student who is doing her PhD at a prestigious university in Australia, who experienced different treatment from her house mates when her caste was identified. Her utensils were separated from the main kitchen area and they avoided interacting with her.

In order to find the hidden and invisible, I began my search for the reasons behind this unwanted identity, which was not my grandparents', my parents' or my choice. I found out that our caste is just one of the 1800 untouchable castes in India.

The identities of untouchables have been changed many times and now they are called Dalits. In some publications they are referred to as depressed classes, broken people or scheduled castes as per the Constitution of India and according to Mr. Gandhi/Harijans.

Historically, untouchables were natives of India and belonged to the Indus Valley Civilisation which existed about 5000 years ago in the western part of the Indian subcontinent, primarily in the region of Punjab along the banks of the Indus River. It had accomplished the status of being one of the most developed civilisations due to its planned cities with the world's first known sanitation system, the first known system of weights and measures, agriculture and architecture.

People known as Aryans (the Aryans were a tribe of Indo-European speaking, horse-riding nomads living in the arid steppes of Eurasia) entered India from the northwest, and invaded the Indus valley civilisation, destroying all its extraordinary features.

The Aryans became rulers after a long war with the aboriginal Indians (inhabitants of Indus Valley Civilisation/Dravidians) and devised a system of division to consolidate their rule. This was called the Varna System, which divided people into four categories known as Brahmin, Kshatria, Vaishya and Shudra.

Aryans kept themselves in the first category of Brahmin, and the other three classes below them. Every Varna had its own duties, and no one could exceed the boundaries of their caste lest they be punished by the Aryans/Brahmins.

Only the Brahmin could teach, rule, conduct religious practices and write history or holy books. Kshatria had a duty to protect the Brahmin and had the sole right to keep and use weapons. Vaishya could do business and pay Brahmin huge shares of profit. Shudra were there to serve the other three upper classes by various means such as cleaning, leather work, agriculture, carpentry or steel work. Shudra were not granted any rights at all.

The founder of Buddhism, Siddharth Gautam Buddh, today known as 'Buddha', played a revolutionary role against the Varna system. He preached his philosophy for most of his life in India and as a result of his social revolutionary work, India became a Buddhist nation for about 500 years, under the Mauryan Empire. Buddhism did huge damage to the discriminatory system of Varna by accepting people from all Varna, particularly Shudras, in Buddhist organisations called Sangha.

At the end of Maurian Empire, in order to revive the Varna system, Aryans killed Buddhists on a massive scale and treated the rest in inhuman ways.

The Aryans repeated history as per their 'divide and rule' principle, dividing the Shudra into thousands of castes so that they could never get together and rise up against them. This was the period when the caste system came into play. It was distinct from the Varna System in that it contained thousands of further categories of Shudra, categorised as either touchables or untouchables. According to this new system, all the Buddhists were stamped as untouchables.

Touchable Shudras had norights either, but they were still able to be touched as they interacted with Aryans to some extent. Untouchables were treated worse than slaves. Their value was much less than that of a dog or a donkey. They were not allowed to go to school/temple, they were not allowed to hear and pronounce texts of Hinduism, which were written in the Sanskrit language. It is important to mention that all the religious texts of Hinduism are written in this language.

If an untouchable heard any Sanskrit holy words, he would be turned deaf by having molten lead put into his ears, and if anybody spoke against the caste system, his tongue would be chopped off. Their footprints on the road were considered unfortunate and to erase them a broom would be hung behind the neck of an untouchable, which would clean the road while he walked. An untouchable could not even drink water from a pond of water where a donkey or a dog would drink. If they did, the pond would be subjected to purification by enchanting holy texts, and adding cow urine of cow to the pond!

Untouchables could not wear ornaments, used only shrouds as their clothes, ate left overs from higher caste people or were forced to eat dead bodies, lived in filthy areas, could never earn wealth by any means, could not participate in administration, and were never allowed to cross the ocean.

Women endured additional torture irrespective of their touchable or untouchable status, as they could be raped anytime by a person of higher caste whenever they were found alone, were forced to sleep with other men if they could not give birth, and would be burnt alive with the dead body of their husband to reach heaven, according to religious custom. If they revolted they were tortured and forcefully burnt alive, and this tradition was known as 'Sati Pratha'. A newborn baby girl could be drowned to death in a tub of milk with the expectation of a male child next time.

As you can see, the Cobra of the caste system hinders the overall development of an untouchable as a human being with a venom that kills their identity, human rights, self respect and self esteem. It snatches the opportunity for a person's mind to develop, and pushes people to living hell.

The venom which is thousands of years old still flows in Indian society, and the upper classes have tried to keep it hidden from the world. They have indulged in organising sporting, cultural and religious events, but never looked closely at the majority of Indian people's suffering.

My grandfather still works as a cobbler. According to the caste system he is an untouchable 'Chamaar' because he works with leather. My father is a welder in a production unit for Indian railways, and while he does not work with leather, people still recognise him as a 'Chamaar'. It would not surprise me if I became Prime Minister, and still received the same treatment!

According to Buddha everything is bound to change and nothing is permanent. I believe the above situation will change some day.

I will always be confronted with this ideology, which regards a person as lower in society on the basis of their caste, irrespective of personal character. But I believe that character decides who you are, not a caste.

During the entrance of Islamic faith in India, many people from lower castes embraced Islam to escape the leprosy of the caste system, as Islam contained no caste discrimination. The religious scripture of Sikhism (Sri Guru Granth Sahib) also spoke against the Varna/caste system.

After a period of a thousand years we can still find traces of the caste system in Indian society. Many people have sacrificed their lives to eradicate it.

The caste mindset is embedded in Indian society and some activists have lodged a petition in the UK to make laws against caste discrimination among Indian Diaspora in the UK. The first International Dalit Rights Conference was held in Washington DC in March 2015.

The United Nations has also released press notes declaring the caste discrimination as a human rights abuse issue.

Caste is a disease of the mind and the only cure is reform. It is a hard and slow task, but still I am doing my part as much as I can.

Personally I have come to the conclusion that the real identity of a human being is their individual character and to me, caste, religion, nationality or ethnicity are not actual factors of human identity.

I would like readers to rise above any system which divides us and creates friction between us. The caste system is one example from my own experience, but there are many other forms of racism and discrimination still alive. Let us work together to eradicate these social evils.

Rajinder Azad is an international student studying science at the University of Melbourne. This is his first article published in Quarterly Access.

Agricultural Trade Facilitation in the Asia-Pacific Region Through the Use of a Co-Investment Seed Fund model

Matthew Sinclair

This paper establishes a call-for-action for the Australian Government to expand its leadership in promoting economic development in the Asia-Pacific region through the facilitation of agricultural trade. Agriculture is an unequivocally powerful tool that can be used to alleviate poverty, due to its potential to create jobs and increase income levels. With the continued liberalisation of agricultural trade, there is an inherent need to ensure that the agricultural sectors of Least-Developed Countries (LDCs) are able to capture the benefits of international trade. Australia is well positioned to be a global leader in facilitating agricultural trade, focusing specifically on the Asia-Pacific region with which the country shares geographic proximity and national interests. Australia has a successful history in coordinating agricultural programs in the Asia-Pacific region, which has been supported by the nation's strength in agriculture in both the public and private sectors.

With Australia's recent changes to its foreign policy approach in the areas of trade and aid, an environment has been created in which the Australian Government is able to further expand one of its existing foreign aid funding models: the Seed Fund. Seed Funding, when implemented using a co-investment model – involving collaboration between the Government and a private sector partner – allows for a 21st-century approach to leveraging the powerful relationship between trade and aid. The model not only reduces the financial risk to all parties involved, but it creates a sustainable model that aims to generate a financial return on interest (ROI) for all partners, in addition to a social return on interest (SROI) for the partner in the developing country.

Agriculture: The root of economic development

> "Most of the people in the world are poor, so if we knew the economics of being poor we would know much of the economics that really matters. Most of the world's poor people earn their living from agriculture, so if we knew the economics of agriculture we would know much

> of the economics of being poor."[1] – Theodore W. Schultz, winner of the 1979 Nobel Prize in Economic Sciences

Agriculture has a critical role in the economy of many developing economies. Over seventy per cent of the population of Least-Developed Countries (LDCs) is concentrated in rural areas, compared to 55 per cent for all developing countries.[2] The large rural population is a driving force behind the agriculture sector, with agriculture representing more than twenty per cent of GDP in over half of all LDCs.[3] When countries are segmented by region, the highest concentration of the world's rural populations is found in three key regions: South Asia (68%), Pacific Islands (63%), and Sub-Saharan Africa (63%).[4] As such, these geographic regions represent a high priority for facilitating trade in agriculture.

The agricultural sectors of many LDCs represent a significant portion of total employment, and as such achieving growth in agricultural production and trade can promote higher income levels to assist with poverty alleviation.[5] The agricultural sector is often highly fragmented with small farms that are poorly serviced with infrastructure, and are facing limited access to knowledge of sustainable farming techniques.[6] Depletion of land and water is placing increased pressure on developing countries to be able to achieve growth in food production commensurate to population growth.[7] With this understanding, there is a clear business case for the importance of global action to facilitate agricultural production and trade. There is a need for policies that not only promote growth in domestic production, but that also facilitate trade to allow LDCs – and developing countries more broadly – to realise the benefits of global trade.

Trade Facilitation: Achieving a global solution to a global problem?

The World Trade Organization (WTO)'s 9th Ministerial Conference concluded with the Bali Package – a trade agreement that aims to not only reduce bureaucracy in trade,[8] but that also addresses the need to lower import taxes and further reduce subsidies for agricultural trade.[9] The negotiations regarding agriculture built upon the progress from the 2003 meeting in Cancun in addition to the subsequent 2004 meeting, which formalised the inclusion of Trade Facilitation as a key point of negotiation for the WTO.[10]

qThe main benefits of Trade Facilitation in general are that it allows for greater simplification of trade, which in turn allows for efficiency gains and lower costs. The benefits are driven by six key factors: (1) simplified trade documents; (2) streamlined border procedures; (3) automated customs processes; (4) greater access to trade-related information; (5) advanced rulings on customs matters; and (6) greater transit co-operation for landlocked countries.[11] Calculations made by the Organization for Economic Cooperation and Development (OECD) claim that Trade Facilitation reforms could secure cost savings (for importing/exporting) of approximately 15 per cent for Low Income Countries.[12]

An important component of the WTO agreement is the universal acknowledgement that additional support is required to assist LDCs to engage more fairly in global trade. This includes working directly with LDCs to improve processes and procedures across both the public and private sectors. There is a call for innovative approaches to funding Trade Facilitation reforms and infrastructure support, such as through the use of

1 Schultz, Theodore (1979) *The Economics of Being Poor*, http://www.nobelprize.org/nobel_prizes/economic-sciences/laureates/1979/schultz-lecture.html, September 21, 2014, p.1.
2 International Fund for Agricultural Development (2011) *Fourth United Nations Conference on the Least-Developed Countries*, http://www.ifad.org/events/ldc/, September 21, 2014.
3 Ibid.
4 World Bank, (2014) *Data: Agriculture and Rural Development*, http://data.worldbank.org/topic/agriculture-and-rural-development, September 21, 2014.
5 Diao, Xinshen & Peter Hazell, Danielle Resnick, James Thurlow (2007) *The Role of Agriculture in Development*, International Food Policy Research Institute: Washington.
6 Ibid.
7 World Bank, (2014) *Data: Agriculture and Rural Development*, http://data.worldbank.org/topic/agriculture-and-rural-development, September 21, 2014.
8 World Trade Organisation (2013), *Bali Package and November 2014 decisions*, http://www.wto.org/english/thewto_e/minist_e/mc9_e/balipackage_e.htm, September 3, 2014.
9 Ignatzi C (2013) *WTO Bali Agreement Expected to Boost Growth*, Deutsche Welle, http://www.dw.de/wto-bali-agreement-expected-to-boost-growth/a-17278088, September 21, 2014.
10 International Center for Trade and Sustainable Development (2013) *Trade Facilitation: Reducing Border Inefficiencies,* http://www.ictsd.org/bridges-news/bridges/news/trade-facilitation-reducing-border-inefficiencies, September 21, 2014.
11 Organisation for Economic Cooperation and Development, (2013) *OECD Trade Facilitation Indicators: Transforming Border Bottlenecks into Global Gateways*, p.1.
12 Ibid.

Public-Private Partnerships (PPP).[13] The African Development Bank (ADB) outlines a key concern, however, in that the Bali Package did not provide binding agreements for how best to support LDCs. Similar criticisms are made about other agreements with "special and differential" trade provisions for developing countries, such as with Part IV of the General Agreement on Tariffs and Trade (GATT).[14] The lack of binding provisions has led to a view by some that the agreement offers little practical value. The same type of concern is therefore likely to be an ongoing issue with the current agreement on Trade Facilitation due to the reliance on the good faith of member nations to ratify and implement. WTO members failed to meet the 31 July 2014 deadline to adopt the necessary Protocol of Amendment, which would allow for the WTO Agreement on Trade Facilitation.[15] As such, a full framework for Trade Facilitation has yet to be formalised. While a truly multilateral agreement has yet to be implemented, there is the possibility for countries to act on a plurilateral basis. Regional blocs, such as ASEAN, are firmly committed to implementing Trade Facilitation processes in the agricultural sector. The following excerpt from ASEAN illustrates the capacity for plurilateral action:

> "In order to respond to trade globalisation, ASEAN cooperation in food, agriculture and forestry is now more focused on the enhancement of food, agricultural and forestry products' competitiveness in international markets, while sustaining agricultural production. Harmonisation of quality and standards, assurance of food safety, and standardisation of trade certification are amongst the priorities being addressed, building upon the experience of some Member States and existing international standards."[16]

A statement made by Australia's Minister for Trade and Investment, The Honourable Andrew Robb AO MP, affirms Australia's commitment to the Trade Facilitation principles espoused in the WTO's Bali Package. The comments also reflect the above excerpt from ASEAN, which illustrates the shared interest between Australia and some of its regional neighbours on this issue. Australia's ratification of the agreement is complemented by other recent policy announcements, such as the Economic Diplomacy and Aid for Trade platforms.

Australia's new policy platform: Economic Diplomacy and Aid for Trade

Australia is well positioned to engage in Trade Facilitation support for LDCs. Two new policy agendas, Economic Diplomacy and Aid for Trade increase the Government's focus on achieving more liberalised trade in addition to further integration of the country's foreign aid and trade programs. These policies have been implemented in addition to an increased focus on achieving cost savings in foreign aid delivery.[17]

In an address given to the Sydney Institute in July 2014, Australia's Foreign Minister, The Honourable Julie Bishop MP, stated that "if the goal of traditional diplomacy is peace, then the goal of economic diplomacy is prosperity."[18] The central tenant of Economic Diplomacy is the assumption that trade delivers economic benefits such as increased income levels, which can assist to alleviate issues such as poverty. The Government's agenda is based on four key pillars: (1) promoting trade; (2) encouraging growth; (3) attracting investment; and (4) supporting Australian business.[19] As such, Economic Diplomacy is a powerful platform upon which to integrate the Australian Government's support for private sector involvement in business ventures overseas – leading to better outcomes not only for Australia, but also for the country's trading partners.

The Economic Diplomacy agenda is closely linked to the Aid for Trade policy. Aid for Trade is a WTO-led initiative that encourages developing countries to have easier access

13 African Development Bank Group (2013) *Trade Facilitation in the Bali Package: What's in it for Africa,* http://www.afdb.org/en/blogs/integrating-africa/post/trade-facilitation-in-the-bali-package-whats-in-it-for-africa-12698/, September 22, 2014.

14 World Trade Organization (2014) *Special and Differential Provisions*, http://www.wto.org/english/tratop_e/devel_e/dev_special_differential_provisions_e.htm, September 25, 2014.

15 The Hon Andrew Robb AO MP, Minister for Trade and Investment (1 August 2014) *WTO Fails to Adopt Protocol for Agreement on Trade Facilitation*, http://trademinister.gov.au/releases/Pages/2014/ar_mr_140801.aspx, September 21, 2014.

16 Association of Southeast Asian Nations (2014) *ASEAN Ministerial Meeting on Agriculture and Forestry*, http://www.asean.org/communities/asean-economic-community/category/asean-ministerial-meeting-on-agriculture-and-forestry-amaf, September 21, 2014.

17 Barlow K (2014) *Budget 2014: Axe falls on foreign aid spending, nearly $8 billion in cuts over next five* years, http://www.abc.net.au/news/2014-05-13/budget-2014-axe-falls-on-foreign-aid-spending/5450844, September 22, 2014.

18 Department of Foreign Affairs and Trade (2014) *Economic Diplomacy,* http://www.dfat.gov.au/trade/economic-diplomacy/, August 6, 2014.

19 Ibid.

to trade through arrangements tied to the aid policies of donor countries.[20] The policy recognises the various supply-side and trade-side issues that developing countries face, which constrain their ability to engage in trade.[21] Australia's expenditure on Aid for Trade in 2013-2014 was $630 million, which represents almost 13 per cent of the country's Official Development Assistance (ODA) budget.[22] There is a strong focus on East Asia and the Pacific, representing 48 per cent of all expenditure. 42 percent of the Aid for Trade program is focused on infrastructure development, with 54 per cent directed at improving the recipient's productive capacity (for example agriculture). A case study of Australia's bilateral Aid for Trade platform in relation to agricultural development is the Solomon Islands Biosecurity Development Program. In this program, Australia is supporting the Solomon Islands to improve the country's agriculture and quarantine services, while strengthening the country's market access and trade opportunities. This exemplifies Australia's commitment to supporting developing economies through Trade Facilitation techniques that target the agricultural sector.

Australia: One of the global thought-leaders on agricultural trade

Australia has the potential to promote best practice in Trade Facilitation assistance for LDCs through the expanded provision of agricultural trade support. Australia is one of the leading members of the Cairns Group, which is an international coalition of 19 agricultural exporting countries that are committed to reforming agricultural trade.[23] The group's agenda is structured around three key areas: (1) improving market access for developing countries; (2) providing domestic support; and (3) reducing export subsidies. With the first two agenda items closely linked to Trade Facilitation, Australia is in a powerful position to lead by example. This involves not only learning from the country's previous experience, but also incorporating this experience to create new examples of how facilitating agricultural trade can benefit LDCs. It should be noted that with funding being reduced in Australia's aid budget, there is a reluctance to implement policies or programs that would require significant increases to expenditure against appropriation. This is highlighted by Australia's annulment of its membership in the African Development Bank (ADB), which also reflects a reduced focus on Africa in favour of a more regional approach focused on the Asia-Pacific.[24]

As part of the country's Economic Diplomacy platform, the Australian Centre for International Agricultural Research (ACIAR) is being used as a tool to promote economic development through agriculture. ACIAR engages with researchers in developing countries, focusing primarily on forty countries in the Asia-Pacific region and across Africa.[25] The research assistance enables gains in productivity, sustainability, and food security more broadly. ACIAR's work in Cambodia provides an example of a multi-pronged approach to agricultural trade facilitation.[26] At a strategic level, ACIAR is working with the Royal Government of Cambodia (RGC) to support their development priorities, outlined in the country's Millennium Development Goal targets in addition to the priorities detailed in its national poverty-reduction campaign. There are three core tenants of ACIAR's work in Cambodia. Firstly, ACIAR is supporting research that aims to improve the productivity of rice farming. This is important for the country's food security and for regional food production. Secondly, there is a focus on applied R&D to investigate methods of agricultural diversification. This approach aims to enable farmers in Cambodia to explore alternative crops, which could provide more lucrative trade opportunities. Thirdly, ACIAR is assisting with sustainability research, which will focus on responses to climate change. ACIAR's work in Cambodia illustrates the ability for Australia to engage with developing countries to promote improved agricultural practices.

The Australian private sector is also well positioned to engage in international agricultural trade facilitation programs. Through the Economic Diplomacy platform, there is an environment that will actively support Australian business ventures operating abroad. This is further supported by the Aid for Trade platform, which will provide additional opportunities for the Australian private sector to have a role in providing

20 World Trade Organisation (2014) *Aid for Trade*, http://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm, August 6, 2014.
21 Ibid.
22 Department of Foreign Affairs and Trade (2014) *Aid for Trade*, http://www.dfat.gov.au/trade/aid-for-trade/, August 6, 2014.
23 The Cairns Group (2014) Proposals, http://cairnsgroup.org/Pages/Proposals.aspx, September 22, 2014.
24 Barlow K (2014) *Budget 2014: Axe falls on foreign aid spending, nearly $8 billion in cuts over next five* years, http://www.abc.net.au/news/2014-05-13/budget-2014-axe-falls-on-foreign-aid-spending/5450844, September 22, 2014.
25 Department of Foreign Affairs and Trade (2014) *Australian Centre for International Agricultural Research*, http://aid.dfat.gov.au/whole-of-government/aciar/Pages/home.aspx, August 6, 2014.
26 Australian Centre for International Agricultural Research (2014) *Cambodia*, http://aciar.gov.au/country/cambodia, September 21, 2014.

agricultural developmental assistance. At the export level, Australia currently produces and trades the produce required to feed approximately forty million people.[27] While Australia may not grow to become one of the leading net exporters in agricultural goods, the country's competitive advantage may lie in its ability to export agriculture as a service. This combines not only Australia's strength in agricultural research, but also the experiences gained from operating in a challenging environment – where there is a need to respond to difficult environmental conditions that include droughts, floods, fires, and other natural phenomena.

Alternative models: How best to provide Trade Facilitation assistance in agriculture

There are numerous models that governments of developed economies can use to meet their Trade Facilitation assistance requirements. The alternative models however need to be bound by key criteria, which allows for the circumscription of alternatives to a select few models to be considered in greater detail. For this research, there are three factors that must be considered. Firstly, it must be an effective model for achieving positive SROI in agriculture. This must be at the core of the decision criteria, as it ensures that the recipient of the Trade Facilitation assistance receives an effective solution. Secondly, due to the budgetary constraints currently observed within Australia's foreign aid program, the delivery model must be financially sustainable. This allows for a model that can be delivered as an efficient solution. Thirdly, the delivery model must be implementable. As such, it is important to ensure that Australia either has existing capability in delivering aid through such a model, or alternatively that the capabilities can be easily built – providing for a practical solution.

The application of the above criteria suggests that there are three predominant alternative delivery models to be considered: (1) equipment and commodity transfers; (2) sharing of training and expertise; and (3) small grants.[28] Each of the three alternatives can be highly effective in improving agricultural outcomes, can be delivered at relatively low cost, and are models in which Australia has existing capabilities. There are, however, limitations to each of the models. The first option requires assurance of the recipient's ability to effectively benefit from the donation; the second option is only successful if the knowledge is supported by a sufficient infrastructure framework to allow for its integration into business as usual; and the third option is often implemented in a highly ad hoc manner, which creates complexity. The recommended approach would create a hybrid model, whereby there is a combination of certain features of each of the three models. The model, however, most closely aligns to the third alternative considered: small grants.

Recommendation: Co-investment Seed Fund model

Seed Funds are a small-scale version of venture capital financing, whereby the donor provides "finance, managerial oversight, and strategic expertise to enterprises with novel, commercially-viable ideas".[29] Seed Funding models have been used in a wide variety of industries and contexts, such as in the medical industry to support the development of innovative intellectual property, as well as in small business to encourage entrepreneurship while mitigating risk. The model is currently used in foreign aid primarily as a means of supporting small business initiatives. Seed funds require an appropriate governance structure to ensure that the expenditure matches the criteria established during appropriation. The use of criteria is important in assessing both the recipient and the investor (if a co-investment strategy is to be selected).

Global best practice: Australia's expertise

Australia currently operates numerous Seed Funds and small grants programs. One of the largest examples is the Australian Government's Direct Aid Program (DAP), which operates across 66 countries with an annual budget of over twenty million dollars.[30] A secondary example is the Australia-India Council (AIC) Grants Program. The grants "provide Seed Funds for innovative proposals relevant to the mission and goals of the Council".[31] On a domestic level, the Victorian Government has entered into a joint venture with Rural Finance to create the Great State of Ag Seed Fund. The program's mission is "to encourage people to share ideas that

27 Australian Bureau of Statistics (2012) *Australian Social Trends: Australian Farming and Families*, http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features10Dec+2012, September 21, 2014.
28 Nowels, Larry and Curt Tarnoff (2004) *Foreign Aid: An Introductory Overview of U.S. Programs and Policies*, US Department of State, pp. 21-25.
29 Masum, Hassan & Justin Chakma, Ken Simiyu, Wesley Ronoh, Abdallah S. Daar, Peter A. Singer (2010) *Venture Funding for Science-based African Health Innovation*, BMC International Health and Human Rights, http://www.biomedcentral.com/1472-698X/10/S1/S12/abstract, September 15, 2014.
30 Department of Foreign Affairs and Trade (2014) *Direct Aid Program*, http://www.dfat.gov.au/direct_aid_program/, September 15, 2014.
31 Department of Foreign Affairs and Trade (2014) *Australia-India Council Grants Program*, https://www.dfat.gov.au/aic/grant_guidelines.html, August 6, 2014.

would benefit rural and regional Australia."[32] While no Seed Funds are currently running in the program, previous funds have included the Rural Finance Seed Fund and the Coles Seed Fund, both designed to foster the development of innovative ideas in agriculture. These case studies illustrate the Australian Government's experience and ability – at the Federal and State level – to manage Seed Funds, in addition to illustrating the Government's recognition of the benefits of co-creating value through collaboration with the private sector.

A sustainable framework: The creation of the Australian International Development Seed Fund

The recommended Seed Fund targets the expansion of the DAP, while ensuring greater integration of the Australian private sector to co-fund the expanded program. As evidenced in the examples above, there are two main classifications of Seed Funds: (1) those that target business development; and (2) those that target community development. The proposed Australian International Development Seed Fund (AIDSF) would combine the two, by requiring two partners in each successful application – one partner from Australia, and the other from a developing country. An initial approach is to use two measures: SROI and financial ROI. As such, it will be important to select ventures to fund based on whether or not there is sufficient potential to create an ROI for each partner (the Australian Government, the Australian private sector partner, and the LDC partner), in addition to achieving an SROI for the associated partner in the LDC.

There are three Critical Success Factors (CSFs) that have been identified. These are the key considerations that must be addressed for the successful expansion of the DAP to include the AIDSF. The CSFs identified are as follows: (1) there is a need to work in harmony with the existing DAP model; (2) there is a need for sufficient buy-in from the private sector to allow for co-investment of funding and delivery; and (3) there is a need for clearly defined criteria for selecting co-investors and funding recipients.

Firstly, it is important to recognise the success of the DAP model and as such the proposed AIDSF should be regarded as a means of complementing the existing framework. The AIDSF can be seen as a potential subsidiary component of the DAP, which would allow for a unified resource. This preserves the ability for the DAP to serve as a 'one-stop-shop' for those seeking various types of funding, rather than further fragmenting the delivery. With much of the Australian aid budget being re-directed to the Asia-Pacific region, there is a strong business case to focus on this geography. This also ensures greater alignment to Australian national interests, by facilitating a greater likelihood of receiving sufficient interest from the private sector co-investment partners, due to strong existing trade connections in the region.

Co-investment and co-delivery from the private sector is an important component of the proposed AIDSF, which is a factor that distinguishes the AIDSF from other Seed Funds. Seeking co-investment has two key benefits: firstly, it provides an avenue in which additional funds can be collected that exceeds Government appropriation – meaning there is greater capacity to deliver programs that drive development. Secondly, it allows for expertise in the delivery phase. This means that private sector knowledge can be integrated into achieving the success of funded programs. Buy-in can be achieved by prioritising agriculture as the key lever for the successful launch of the AIDSF. This not only helps to focus the program domestically, but it also ensures that programs are relevant to the context of developing country's needs. For Australia, agriculture remains an important pillar of the economy, and it is an area in which we have an international competitive advantage. As such, Australia is well positioned to use private sector expertise in agricultural services to achieve the developmental outcomes that can be delivered by funding small-scale agricultural projects in LDCs in the Asia-Pacific region.

The third CSF is that there needs to be clearly defined criteria. These criteria will form the core of a program that can be implemented across borders, but it is critical that there is nonetheless the ability to customise the criteria to ensure relevance to the specific project. The criteria for selecting the Australian co-investment partner should involve baseline criteria relating to: (1) demonstrated experience; (2) financial capacity; and (3) capability to co-deliver. The criteria for selecting the funding recipients should include: (1) demonstrated experience; (2) clearly defined ROI and SROI; and (3) a clear understanding of how the Australian partner can be used to add value.

Conclusion

There is an indisputable need to ensure that LDCs are able to fully unlock the development potential of agricultural trade. With increased trade comes jobs; with jobs come higher incomes; with higher incomes come poverty alleviation. The positive cycle that is created from agricultural trade represents a powerful policy tool that should be given greater consideration

32 Great State of Ag (2014) Seed Funds, http://www.greatstateofag.com.au/seed-fund-home, August 6, 2014._

in the foreign aid strategies of developed countries, such as Australia.

Facilitating agricultural trade can be achieved by using smart funding tools, such as co-investment Seed Funds. Such a Seed Fund will allow for the Australian Government to not only meet its Trade Facilitation requirements, but it will also allow these requirements to be achieved in a manner that is underpinned by a sustainable funding design. Australia is well positioned to implement Seed Funds for agricultural development. This assumption is based on Australia's experience in leading Seed Funds, in addition to the country's new trade and foreign aid policy agendas. This supportive context is furthered by Australia's global leadership in agricultural production and trade, encompassing both strength in the public sector through Federal and State-level programs, in addition to the innovative and resilient private sector.

The integration of the private sector into the Seed Fund also brings with it greater capital inflows, to complement the contribution made by the Government. The Government therefore benefits from sharing the financial risk of the investment with a private sector partner. The private sector partner benefits from receiving government support in their international trade endeavours and similarly is able to share the risk of the capital outlay. The main outcome, however, is that the LDC partner is able to achieve an SROI from the funding. The various projects that could be funded represent significant potential for Australia to engage in agricultural Trade Facilitation in the Asia-Pacific region, through the use of a co-investment Seed Fund model.

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Taiwan: Still a Potential Source of Conflict in the Asia-Pacific?

Jennifer Fang

Since 1949, when Chiang Kai-shek and the Kuomintang (KMT) Nationalist Party fled to Taiwan after being defeated by the Chinese Communist Party (CCP) in the Civil War, the status of the island has been the source of constant political tension and potential military conflict between the Republic of China (ROC), or Taiwan, and the People's Republic of China (PRC), or China. Full independence has traditionally been the overarching goal for Taiwan, whereas 'peaceful reunification' of the two sides of the Taiwan Straits is China's ultimate objective. Both entities claim sovereignty over all of 'China' however, resulting in a political stalemate that has lasted for over sixty years. Another important actor is the United States, which has played a key role throughout the historical dispute by first supporting the ROC during most of the Cold War, before normalising relations with the PRC in 1972 and severing official ties with Taiwan in 1979.[33] At the same time, the US has maintained the Taiwan Relations Act (TRA), which allows for the "supply of defensive weapons" and the continuation of a "US capability in the region to help Taiwan,"[34] leading many to argue that the US is Taiwan's "only major source of political and military support."[35] In this context, scholars have long debated the likelihood of political tensions spilling over into outright military conflict involving China, Taiwan and potentially the US, with some seeing war over Taiwan as unlikely,[36] while others arguing that confrontation is inevitable.[37] This essay argues that Taiwan will always be a potential source of conflict (defined here in military terms) in the Asia-Pacific region as long as pro-independence desires exist, and as long as the US continues to sell weapons to Taiwan. Furthermore, the likelihood of conflict erupting over these two conditions is exacerbated by China's aggressive military stance in the Taiwan Straits, and its general rise in military power. However, there are a number of factors preventing conflict from breaking out in the short-term. These include increased

33 McWilliams, W.C and H. Piotrowski (2009), *World since 1945: A History of International Relations,* Lynne Rienner Publishers: Colorado, p. 365.

34 Tucker, N.B. and B.S. Glaser (2011) "Should the United States abandon Taiwan?" in *The Washington Quarterly*, vol. 34, no. 4 p. 23, 26.

35 Chase, M.S. (2008) *Taiwan's Security Policy: External Threats and Domestic Politics*, Lynne Rienner Publishers: Colorado, p. 199.

36 Sutter, R.G. (2011) *Taiwan's Future: Narrowing Straits*, NBR Analysis: Seattle.

37 Lewis, J.W. and L. Xue (2006) *Imagined Enemies: China Prepares for Uncertain War*, Stanford University Press: California.

economic interdependence between China and Taiwan, improved diplomatic relations as a result of growing official and unofficial exchanges and cooperation, the gradual decline in US political support for Taiwan and Taiwan's constrained and increasingly isolated international position.

Pro-independence currents in Taiwan

Taiwan remains a potential source of military conflict in the region because of the existence of pro-independence currents in the country and the China's longstanding commitment to use force in response to any 'renegade' moves towards independence.[38] One the one hand, the KMT, who have been been in power since 2008, have led commentators to consider a substantial warming of China-Taiwan relations.[39] However, pro-independence sentiment remains the cornerstone of the Democratic Progressive Party (DPP),[40] seen in their provocative moves towards independence since the party's founding in 1986. Two notable examples in recent history illustrate this. In 1999, DPP President Lee Teng-hui caused a significant stir when, in a public interview, he openly characterised relations between Taiwan and China as "special state-to-state relations,"[41] implying that Taiwan was an independent, sovereign state. Lee's DPP successor, Chen Shui-bian, also made a series of public appeals to "Taiwan nationalism and autonomy from China", provoking a negative reaction from Chinese leaders.[42]

These sentiments have the potential to escalate into conflict between Taiwan and China. As Lim asserts if independence was actively pursued by Taiwan then this would certainly "result in a war between the two", for according to the Chinese 2004 Defence White Paper, "[s]hould the Taiwan authorities go so far as to make a reckless attempt that constitutes a major incident of 'Taiwan independence', the Chinese people and armed forces will resolutely and thoroughly crush it at any cost."[43] While the KMT have won two elections in a row, the idea of a DPP victory in the 2016 elections is not a farfetched notion given that in 2012 the DPP managed to attract over 45 per cent of the vote in the presidential election,[44] and over 35 per cent in the legislative election.[45] Thus, as long as the prospect of a Taiwanese move towards independence exists, most likely in the form of the DPP, Taiwan will remain a potential source of conflict. China would be forced to act militarily if independence was articulated in any way or else risk an erosion of its political legitimacy.

US arms sales to Taiwan

Additionally, Taiwan continues to be a source of conflict in the Asia-Pacific region because the continuing sale of US weapons to Taiwan risks provoking China into a military confrontation with Taiwan.[46] Although logic would hold that greater improvements to Taiwan's weapons and defence capabilities might stabilise relations with China, the US' continued arms sales to Taiwan have had the opposite effect in Beijing, with Chinese officials perceiving such action as a violation of China's core interests.[47] Indeed, Tucker and Glaser point out that China is highly critical of the US' military sales to Taiwan,[48] reflected in China's reactions to the US' $6.5 billion arms package sold to Taiwan in 2008, and another $6 billion package approved in 2010.[49] In response to the former, China suspended military contacts with the US until mid-2009,[50] while the latter package prompted public outrage and the cancellation of a planned security dialogue and other military exchanges with the US.[51] One academic from Renmin University even suggested that China should "accelerate the development and testing of high-tech weaponry" to demonstrate China's indignation.[52] In light of

38 Blanchard, B 'China, Taiwan agree to open offices after historic talks', in *Reuters*, 2014, http://www.reuters.com/article/2014/02/11/us-china-taiwan-idUSBREA1A0EP20140211; Saunders, P.C. and S.L. Kastner (2009) "Bridge over troubled water? Envisioning a China-Taiwan peace agreement" in *International Security* vol. 33, no. 4, p. 87, 88; Lin, C.Y. (2014) "Confidence-building measures in the South China Sea and implications for US-Taiwan-China relations" in Song, Y.H and Zou, K (eds) *Major Law and Policy Issues in the South China Sea: European and American Perspectives*. Ashgate: England, p. 257, 273.
39 Kastner, S.L (2013) "A relationship transformed? Rethinking the prospects for conflict and peace in the Taiwan Strait", in *2013 American Political Science Association Annual Meeting*. American Political Science Association: Illinois. p. 1, 1.
40 McWilliams, W.C and H. Piotrowski, above 1, 122.
41 Lim, H (2009) "Trading across the Straits: Will a free trade agreement between China and Taiwan promote peace?" in Khan, S. R (ed) *Regional Trade Integration and Conflict Resolution*, Routledge: Oxon. p. 207, 216.
42 Sutter, above 4, p. 5-7.
43 Lim, above 9, p. 224.
44 Central Election Commission (2012) *2012 Legislator Election,* http://engweb.cec.gov.tw/ezfiles/30/1030/img/144/2012.htm, Accessed 30 September 2014, p. 144
45 Central Electoral Commission, above 12, 145.
46 McLaran, J.P (2000) "U.S. arms sales to Taiwan: Implications for the future of the Sino-U.S relationship" in *Asian Survey,* vol. 40, no. 4, p. 622, 639.
47 Glaser, B.S and D. Szerlip (2010) "US-China relations: the honeymoon ends" in *Comparative Connections,* vol. 12, no. 1, p. 23, 25.
48 Tucker and Glaser, above 2, p. 35.
49 Sutter, R.G, above 4, p. 10.
50 Sutter, R.G, above 4, p. 10
51 Glaser and Szerlip, above 15, p. 26.
52 Glaser and Szerlip, above 15, p. 26.

these hostile responses it can be concluded that if the US continues to sell arms to Taiwan there is a possibility that China will take even stronger measures in the future such as an all-out retaliation against Taiwan. Even the US seems to be aware that a substantial provision of modern weapons systems to Taiwan would anger China and has gradually become reluctant to supply advanced weapons like F-16 Fighting Falcons in fear of provoking a military response from China.[53] Despite the reluctance to provide arms or military to Taiwan, any form of aid by the US has the potential to lead to conflict in the Taiwan Straits.

China's military rise

Furthermore, the likelihood that conflict over Taiwan will occur is exacerbated by China's growing military build-up in the Taiwan Straits, not to mention China's overall military rise and status as the world's second-largest military spender.[54] As of 2007, around 700-800 Chinese short-range ballistic missiles were "based in the coastal provinces along the Taiwan Strait,"[55] and by 2010, this figure had increased to between 1,050 and 1,150.[56] According to the Pentagon, these missiles are China's "most potent weapon to deter Taiwan independence or compel reunification on Beijing's terms,"[57] and their positioning in the Strait, along with nuclear attack submarines and aircraft carriers,[58] means that military conflict between China and Taiwan is no longer a distant possibility but an almost certain reality if China is seriously provoked. Annual military tests have also taken place near Dongshan Island, Fujian province, with Taiwan the "imagined target."[59] Again, this only "exacerbates security dilemma dynamics,"[60] and increases the potential for conflict to break out between China and Taiwan, which may even involve the US if the TRA is invoked.

Moreover, China has increased its military budget to almost $132 billion this year,[61] and many scholars believe that if the military capabilities of the People's Liberation Army (PLA) continue to grow, then the "use of force to 'resolve' Taiwan's status might look more appealing to Beijing."[62] Especially, considering the "deficiencies" in Taiwan's defence systems, a result of the decline in Taiwan's defence budget.[63] In other words, conflict is likely to occur if China perceives its military advantage over Taiwan to be "large enough to achieve a quick and decisive victory at limited cost."[64] If China continues to maintain an aggressive military posture in the Taiwan Strait and if its military spending continues unabated this will further exacerbate the tensions surrounding pro-independence sentiments in Taiwan. In fact, this may lead to greater demands for US military support in China making conflict ever more likely.

Economic interdependence between China and Taiwan

While the above arguments demonstrate that Taiwan remains a potential source of conflict in the region in the future there are a number of mediating factors that could prevent conflict from breaking out in the short-term. The most prominent of these factors is the growing economic interdependence between China and Taiwan. According to liberal theorists, economic interdependence can "harmonise interests and reduce the risk of conflict,"[65] and in the case of China and Taiwan, some argue that economic linkages may "eventually make possible a peaceful reunification."[66] Indeed, the value of two-way trade between China and Taiwan has increased markedly in the last decade. In 2004, total trade was estimated to be at US$6.6 billion,[67] and by 2013 this figure had jumped to a record US$123 billion.[68] By 2010, China had become

53 Sutter, R.G, above 4, 16; Tan A.T.H (2014) "The implications of Taiwan's declining defense" in *Asia-Pacific Review,* vol. 21, no. 1, p. 41, 50; Krastner, J "Taiwan lowers it military sights" in *Asia Times,* 2011, http://atimes.com/atimes/China/MH02Ad02.html

54 Wong, E. 'China announces 12.2% increase in military budget' in *The New York Times,* 2014, http://www.nytimes.com/2014/03/06/world/asia/china-military-budget.html?_r=0

55 Horowitz, S and A.C Tan (2007) 'Rising China versus estranged Taiwan' in Horowitz, S, Heo, U, and Tan A.C (eds), *Identity and Change in East Asian Conflicts: The Cases of China, Taiwan, and the Koreas.* Palgrave Macmillan: Macmillan, p. 115, 118.

56 Office of the Secretary of Defence (2010) *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China.* Department of Defence, United States of America: Washington, D.C,

57 Shirk S.L (2007) *Fragile Superpower.* Oxford University Press: Oxford, 194.

58 Schaeffer, D (2014) 'The South China Sea: A piece in the global naval encirclement strategy of Taiwan by Mainland China' in Song Y.H and Zou, K (eds), *Major Law and Policy Issues in the South China Sea.* Ashgate: England, p. 245, 252.

59 Lewis and Xue, above 5, p. 261.

60 Saunders and Krastner, above 6, p. 102.

61 Wong, above 21.

62 Sanders and Krastner, above 6, pp. 98-9.

63 Chase, above 3, p. 2.

64 Chase, above 3, p. 2.

65 Horowitz, S., U. Heo, and A.C Tan (2007) 'Democratization and national identity in the China-Taiwan and Korean conflicts' in Horowitz, S, Heo, U and Tan, A.C (eds), *Identity and Change in Eastern Asian Conflicts: The Cases of China, Taiwan and the Koreas.* Palgrave Macmillan: New York, p. 1, 10.

66 Burt, S (2008) 'China and East Asia' in Fernandes, C (ed), *Hot Spot: Asia and Oceania.* Greenwood Press: Connecticut, p. 1, 15.

67 Lim, above 9, p. 212.

68 Jennings, R 'Taiwan rebuffs Chinese leader's new pitch for unification', in *Los Angeles Times,* 2014, http://www.latimes.com/world/asia/la-fg-taiwan-rebuffs-china-unification-20140927-story.html

Taiwan's "largest export market", with around 40 per cent of Taiwanese exports going to China.[69] In a move that has been widely touted as having the potential to mitigate conflict and promote greater cross-strait relations,[70] China and Taiwan also established a free trade agreement (FTA) in 2010. The Free Trade Agreement known as the Economic Cooperation Framework Agreement (ECFA) provides "privileged access" to Chinese markets,[71] and involves the removal of tariffs off a wide range of products on both sides.[72] Taiwanese investment has also been an "important source of capital" for China,[73] made clear by the fact that Taiwanese businesses had invested an enormous US$200 billion into the Chinese economy by the beginning of 2014.[74] Likewise, Sutter has noted the "growing Chinese investment and presence in Taiwan."[75] China and Taiwan also have what Clark terms "functionally linked economies", whereby different stages of the production process for products occur in each country, such as advanced components being produced in Taiwan, before being exported to China for final assembly.[76]

Although some scholars rightly note that the economic interdependence of China and Taiwan has not translated into "political reconciliation or reduced military readiness" on either side,[77] deepening economic integration has at least contributed to "stability and the present 'status quo' equilibrium."[78] This has arguably made both Chinese and Taiwanese leaders think twice before compromising their "economic alliance."[79] In particular, given Taiwan's economic dependence on China, its largest and most important trading partner,[80] it is unlikely that Taiwan would do anything to jeopardise this relationship such as moving towards independence. As a result this has reduced the likelihood of conflict at present.

69 Tan, above 20, p. 51.
70 Lim, above 9, p. 223.
71 Sutter, above 4, p. 9.
72 Ta, above 20, p. 46.
73 Lim, above 9, p. 213.
74 Tan, above 20, p. 51.
75 Sutter, above 4, p. 12.
76 Clark, C (2007) 'Economic integration between China and Taiwan: No spillover into the identity and security realms' in Horowitz, S, Heo, U and Tan, A.C (eds), *Identity and Change in Eastern Asian Conflicts: The Cases of China, Taiwan and the Koreas*. Palgrave Macmillan: New York, p. 71, 78.
77 Blanchard, above 6.
78 Lim, above 9, p. 226.
79 Le, B 'Negotiations with a giant: Taiwan's "win-win" strategy' in *Asia Society,* 2011, http://asiasociety.org/negotiations-giant-taiwans-win-win-strategy.
80 Saunders and Krastner, above 6, p. 98; Blanchard, above 6.

Thawing of China-Taiwan diplomatic ties

Since the election of President Ma Ying-jeou of the KMT in 2008, there have been a number of positive developments in China-Taiwan diplomatic relations.[81] The improvement of relations has been facilitated by official and unofficial exchanges and cooperative activities, all of which help to prevent the likelihood of Taiwan turning into a military hotspot in the near future. At an unofficial level, Taiwan's Straits Exchange Foundation (SEF) and China's Association for Relations Across the Taiwan Strait (ARATS) have held dialogues since 1992 and in recent years these have yielded significant results in terms of the establishment of "direct transportation and cargo links, tourism, and food safety."[82] Earlier this year, SEF-ARATS also signed agreements on "meteorological exchanges and earthquake monitoring" to protect citizens on both sides of the Strait, and it has been said that the next round of talks will cover issues related to "trade in goods, taxes, cross-strait representative offices, cooperation on environmental protection and aviation safety."[83] The SEF Chairman, Lin Join-sane, stated that the SEF-ARATS talks have not only improved "cross-strait economic and social development", but they have also "helped maintain regional stability,"[84] demonstrating the value of cross-strait exchanges in preventing conflict. In addition, leaders of the CCP and KMT often hold informal dialogues[85] which include exchanges taking place between "mayors and business associations" for the purposes of reaching "functional agreements."[86]

China and Taiwan also cooperated in natural resource exploration in the northern part of the South China Sea in December 2008[87] and interestingly, there has even been "tacit coordination" between the two sides in relation to claiming the islands and reefs within the "nine-dotted lines" of the South China Sea.[88] This is because China and Taiwan's legal claims are actually identical – both can agree that the islands and reefs belong to one or the other thereby enabling them to "treat each other as a natural ally vis-à-vis the other

81 Lin, C.Y, above 6, 267; Johnson, C 'Talking to Taiwan's new president', in *Time,* 2008, http://content.time.com/time/world/article/0,8599,1831748,00.html?xid=rss-topstories
82 Sanders and Krastner, above 6, p. 90.
83 Kuo, A.T 'SEF, ARATS finalize pact on weather, earthquake exchange' in *The China Post,* 2014, http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2014/02/28/401694/SEF-ARATS.htm
84 Kuo, above 50.
85 Sutter, above 4, p. 9.
86 Saunders and Krastner, above 6, p.93.
87 Lin, above 6, p. 271.
88 Lin, above 6, pp. 266-7.

ASEAN claimants."[89] Thus, while territorial claims in the South China Sea are a source of conflict between China and the other Southeast Asian claimants, they actually enable cooperation between China and Taiwan. According to Hao, such exchanges and cooperative efforts have the potential to reconcile cultural and political differences, but only if they are maintained and strengthened over time.[90] In the short-term it is likely that the current atmosphere of friendly and fruitful interactions across the Strait will ensure that conflict over Taiwan is kept in check, especially in light of the fact that KMT and CCP leaders have signalled their mutual desire to achieve a peace agreement.[91] In the long-term however, this cannot be guaranteed, particularly if there is a change in government in Taiwan in 2016.

Waning US political support for Taiwan

The decline of US political support for Taiwan may prevent conflict in the short time by discouraging Taiwan from presently seeking independence, thus preventing any provocation of China. Although the US continues to supply Taiwan with arms, US political support for Taiwan or actual military intervention in the event of a Chinese attack cannot be guaranteed. Firstly, the US has always been in favour of a 'one China policy'[92] and in 1998 the Clinton administration asserted that there would be "no US support for independence for Taiwan", "no support for a two-China or 'one China, one Taiwan' policy", and "no support Taiwan's admittance into any international organisation that requires statehood for membership."[93] In the context of China's continuing rise in power, the waning of congressional interest in Taiwan and Taiwan's status as a "diplomatic liability,"[94] there is little evidence to suggest that the US would risk exacerbating tensions with China by reversing this longstanding policy. Moreover, for the same reasons it is becoming increasingly unlikely that the US would consider "coming to Taiwan's defence in a real crisis involving an attack or blockade by China."[95] In fact, despite the continuation of the TRA, there has arguably been "no 'unambiguous' American commitment to defend Taiwan" since 1980.[96] According to Lewis and Xue, Taiwanese independence groups have "long depended on American political and military support to underwrite their pursuit."[97] In the absence of such backing Taiwan is unlikely to move towards independence now and risk aggravating China.[98] Of course, US interests vis-à-vis Taiwan might shift if China becomes too aggressive and problematic for the US. However, for the moment, the lack of overt US political and military support for Taiwan means that Taiwan is not currently a source of immediate conflict in the Asia-Pacific region.

Taiwan's international isolation

Finally, Taiwan's international position is too constrained and isolated to risk making independence claims that could provoke or aggravate China into a conflict. Taiwan is currently in no position to make demands on China, as it is highly dependent on China not only economically[99] but also diplomatically. For instance, Taiwan was admitted into the World Health Assembly (WHA) "only after China dropped its objections,"[100] demonstrating that Taiwan only has a voice in world affairs if China allows it to. This argument seems to align with Chien-Min Chao's theory of integration, which posits that "as mainland China grows in power, nations and sub-national regions in the continental vicinity will be sucked into its orbit and become satellites."

In addition, following Sino-US rapprochement and the full normalisation of diplomatic ties in 1979, more and more countries began to switch their recognition of Taiwan to China. Taiwan has thus experienced "international political isolation as a result of pressure from China."[101] Currently, only 22 countries still recognise Taiwan politically,[102] as according to Tan, hardly any country is prepared to "anger China and jeopardise political and economic relations with it

89 Lin, above 6, p. 266.
90 Hao, Z (2010) *Whither Taiwan and Mainland China: National Identity, the State, and Intellectuals.* Hong Kong University Press: Hong Kong, p. 179.
91 Saunders and Krastner, above 6, p. 112.
92 Lim, above 9, p. 216.
93 Lim, above 9, p. 225.
94 Tucker and Glaser, above 2, p. 28; Tan, above 20, p. 54.
95 Tan, above 20, p. 54.
96 Moody JR., P.R (2007) 'The evolution of China's national interest: Implications for Taiwan' in Horowitz, S, Heo, U and Tan, A.C (eds), *Identity and Change in Eastern Asian Conflicts: The Cases of China, Taiwan and the Koreas.* Palgrave Macmillan: New York, p. 27, 40.
97 Lewis and Xue, above 5, p. 278.
98 Sutter, above 4, p. 5.
99 Lim, above 9, p. 218; Sutter, above 4, p. 17.
100 Sutter, above 4, p. 18.
101 Tan, above 20, p. 50.
102 Department of Foreign Affairs and Trade (2014) *Taiwan Brief*, http://www.dfat.gov.au/geo/taiwan/taiwan_brief.html; The countries that still recognise Taiwan as the representative of 'China' include: Belize, Burkina Faso, Dominican Republic, El Salvador, Guatemala, Haiti, Holy See, Honduras, Kiribati, Marshall Islands, Nauru, Nicaragua, Palau, Panama, Paraguay, Sao Tome and Principe, Solomon Islands, St Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Swaziland, and Tuvalu (Department of Foreign Affairs and Trade 2014).

on account of Taiwan."[103] In light of this constrained position vis-à-vis China and the international community, Taiwan must practise "reassurance, diplomacy, and persuasion" as the only appropriate means by which it can influence China to follow policies "compatible with Taiwan's interests."[104] As a result Taiwan's government must prevent any provocative stance on the issue of independence. Current trends also suggest a "continued shift in the cross-strait balance of power in the PRC's favour,"[105] which is not surprising given Taiwan's declining military capabilities as mentioned previously. Taken together, this means that Taiwan is not likely to presently be the source of conflict in the region. Its constrained position does not allow it to make any claims about independence, one of the primary inciters for a China-led military offensive against Taiwan.

Conclusion

In summation, this essay argues that pro-independence desires in Taiwan along with continued US arms sales are the main drivers of conflict between China and Taiwan. As long as these conditions are in place, the potential for conflict will remain. In addition, the likelihood of conflict breaking out is exacerbated by China's aggressive military build-up in the Taiwan Straits and the strengthening of the PLA in general. In the short-term, however, there are a number of factors preventing Taiwan from making any moves towards independence and risking conflict with China. These include growing economic integration between China and Taiwan, improved diplomatic relations through exchanges and cooperative efforts, the decline in US political and military support for Taiwan, and Taiwan's isolated position vis-à-vis China and internationally. Not only do these factors decrease the likelihood of Taiwan provoking China, but they also mean that China will not easily resort to using military tactics against Taiwan, and may instead "exhaust all non-military means such as negotiations and diplomacy" first.[106] Finally, it will be interesting to see what effect, if any, the recent protests for democracy in Hong Kong (and Beijing's response to these), have on Taiwanese desires for independence not only amongst DPP supporters, but across the political spectrum. If pro-independence sentiment somehow erupts in Taiwan, then this will have serious implications for the likelihood of conflict occurring between China and Taiwan. In the meantime, the waiting game continues and observers are left hoping that the rapid improvement in cross-strait relations over the past few years is enough to deter a military clash between China and Taiwan.

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103 Tan, above 20, p. 50.
104 Sutter, above 4, p. 14.
105 Saunders and Krastner, above 6, p. 107.
106 Tan, above 20, p. 57.

Myanmar: Ethno-Religious Conflict Threatens Transition

James Davies

Despite the praise that Myanmar's 'democratic' transition continues to receive from Western governments, there is growing evidence that the pace of reform is slowing. Opposition leader Aung San Suu Kyi has argued that the country's political reforms have stalled, and are not leading to democracy. She accused foreign governments of incorrectly calling Myanmar a democratic success story.[107] Perhaps the most disruptive and immediate challenge to the transition process, however, is the deadly violence between Buddhists and Muslims.

In a continuation of the unrest that started in Rakhine State in June 2012, the violence has spread across the country, affecting both Buddhist and Muslim communities. In July last year, days of violence between Buddhists and Muslims in Mandalay left two people dead and almost 20 injured. Approximately 60 people were arrested for their role in the riots. Recently in Rakhine State, Rohingya Muslims had their voting rights revoked following pressure from nationalist Buddhist organisations. These groups have been increasingly vocal in response to Myanmar's expected November 2015 elections, prompting concerns that raised tensions could provoke more violence.

The threat that ethno-religious violence can pose to a political transition has been recognised. Studies have linked the process of political transition to an increased incidence of ethno-religious conflict.[108] As is commonly noted, "introducing democracy means, more often than not, ethnic trouble".[109] Although this is certainly not the rule, there is a correlation between the two. In times of transition, individuals use their newfound freedoms to express grievances. Without the institutional capacity to manage these grievances, conflict spills onto the streets, threatening the establishment of any new political order. Particularly in pluralistic societies, groups mobilise along ethnic and religious lines as they compete to secure influence and power in a new system. During this

107 ABC News, "Aung San Suu Kyi says Myanmar Reforms 'Stalling' ahead of Barak Obama Visit" in *ABC News: (*online*)* 6 November 2014, http://www.abc.net.au/news/2014-11-06/suu-kyi-says-myanmar-reforms-27stalling27/5870202.

108 Gurr, Ted (2000) *People Versus States: Minorities at Risk in the New Century*. US Institute of Peace: Washington, pp. 85-86.

109 Wimmer, Andreas (2003) "Democracy and Ethno-Religious Conflict in Iraq" in *Survival,* Vol. 45, No. 4, Winter p. 111, p. 112.

process, tensions may be heightened, leading to violence and potentially an "abortion of the democratic process itself".[110] It is often the case that during a transition there is a deficit of credible guarantees to protect minority rights.[111]

Buddhist-Muslim relations in Myanmar

It is estimated that 80 per cent of the total population of Myanmar is Buddhist, while Islam makes up four per cent. Islam came to Burma peacefully, as early as the ninth century with Arab, Persian and Indian traders.[112] There are several Muslim communities in Myanmar, each with their own histories and traditions. The descendants of early traders are commonly called Burmese Muslims, the oldest group of Muslims living in Myanmar [113]. A significant number of South Asian Muslims migrated to Burma during the colonial period.[114] Another group, the Kaman Muslims, live in Rakhine State. They are the descendants of the Muslim soldiers who came to Arakan with an exiled Mughal Prince in the 17th century.[115] The community of Panthay Muslims of northern Myanmar was formed following the Qing dynasty's massacre and annihilation of a Sultanate in China's Yunnan province in 1873. Many settled around the northeastern town of Lashio.[116] Another group, the Rohingya Muslims, live mostly in northern Rakhine State. Many in Myanmar consider the Rohingya to be illegal immigrants from Bangladesh, though there is no doubt that there have been Muslim inhabitants in this area for some time. However, it is also clear that many South Asians migrated into the area during and after the colonial period. There are few accounts of conflict between Burmese Buddhists and Muslims before British colonisation, but accounts become more numerous after.

Of the most recent instances, the first deadly clashes between Muslims and Buddhists began in Rakhine State on 8 June 2012, and concerned mostly Rakhine Buddhists and Rohingya Muslims, although Kaman Muslims were also affected. After only four days, the violence had resulted in the destruction of 1,662 homes.[117] The government claimed that 78 people were killed, although Human Rights Watch asserts that this is a conservative estimate.[118] In October 2012 there was a resurgence of violence. While earlier violence had been spontaneous, this time it was organised and planned by Buddhists. There were reports in both conflicts that authorities were complicit in the violence against Rohingya people.

The Rohingya village of Du Chee Yar Tan suffered arson attacks in a serious January 2014 incident. The UN, Rohingya activists and NGOs have claimed that a massacre took place, and that Rakhine mobs and police killed at least 40 people.[119] Shwe Maung, a Rohingya member of parliament with the ruling party, has accused police of complicity.[120] The Myanmar government has claimed that Rohingya Muslims burnt down their own homes, and that police entered the village only to find information about a missing Rakhine police officer.[121] A UN report has been released to the Myanmar government, but not made public, regarding the events. It is believed that the report details the crimes, and how authorities allowed Buddhist mobs to commit the massacre.[122] The then UN Special Rapporteur on Myanmar Tomas Quintana expressed his deep concern regarding:

110 Wimmer, above n 3.
111 Ukiwo, Ukoha (2003) "Politics, Ethno-Religious Conflicts and Democratic Consolidation in Nigeria" in *The Journal of Modern African Studies*, Vol. 41, No. 1, p. 115, p. 118.
112 Ukiwo, above n 5.
113 Ukiwo, above n 5.
114 Yegar, Moshe (1972) *The Muslims of Burma: A Study of a Minority Group.* Wiesbaden: Otto. Harrassowitz, p. 30.
115 Yegar, above n 8, p.24.
116 Yegar, above n 8, p.46.
117 ALTSEAN Burma (2012) *Unrest in Burma's Arakan State: A Chronology of Events,* http://www.altsean.org/Docs/PDF%20Format/Thematic%20Briefers/Unrest%20in%20Burmas%20Arakan%20State%20-%20A%20chronology%20of%20events.pdf, 24 June 2015.
118 Human Rights Watch (2012) *The Government Could Have Stopped This: Sectarian Violence and Ensuing Abuses in Burma's Arakan State*, http://www.hrw.org/sites/default/files/reports/burma0812webwcover.pdf 24 June 2015.
119 Hudson-Rodd, Nancy, "Silence as Myanmar's 'Genocide' Unfolds" in *Asia Times*: (online) 18 February 2014, http://www.atimes.com/atimes/Southeast_Asia/SEA-01-180214.html%3E.
120 Hinshelwood, Colin, "Shwe Maung May Be 'Responsible for Defamation' Over Police Allegations, Says Ye Htut" in *Rohingya Blogger:* (online) 5 February, 2014, http://www.dvb.no/news/shwe-maung-may-be-responsible-for-defamation-over-police-allegations-says-ye-htut-burma-myanmar/36799%3E.
121 Polling, Gregory (2014) *Separating Fact from Fiction about Myanmar's Rohingya*, https://csis.org/publication/separating-fact-fiction-about-myanmars-rohingya, 23 June 2015.
122 Mullany, Gerry, "Report on Unrest is at Odds with Account of Myanmar" in *The New York Times*: (online) 24 January 2014, http://www.nytimes.com/2014/01/25/world/asia/un-says-muslims-were-massacred-in-tense-myanmar-region.html?_r=0.

"the failure of the government to conduct a credible and independent investigation into the allegations of widespread and systematic human rights violations in Rakhine [Arakan] State which may constitute crimes against humanity."

Quintana has also noted that "tackling the situation in Rakhine State represents a particular challenge which, if left unaddressed, could jeopardize the entire reform process".[123]

The violence has also spread beyond Rakhine State. The central town of Meiktila experienced some of the worst violence in April 2013. Over 100 people were killed and numerous mosques and madrasahs were destroyed.[124] Violence has occurred throughout the country: in Okkan, a town north of Yangon; in Hpakant, a jade-mining town in majority-Christian Kachin State; in Lashio; and in Kanbalu township in Sagaing division. What these events typically have in common is their immediate cause. Typically, an alleged crime or dispute between two individuals escalates into widespread destruction of lives, homes and property. Both communities have been involved in attacks on the other, including on innocent civilians, yet the Muslim victims have significantly outnumbered the Buddhist victims. It is important also to note that the targets of the violence have been from a range of Myanmar's Muslim communities.

Ethno-religious violence and the threat to transition

Since the military coup of 1962, the Myanmar military government has had a well-documented policy of persecuting the Rohingya community. As well as being denied citizenship, they have faced restrictions on education, religious worship and travel.[125] Almost as an illustration of the government's position was President Thein Sein's comments after Quintana visited Myanmar in February 2013. Quintana recognised the 1982 citizenship law as a major obstacle and encouraged the government to reform it.[126] Instead, the President proposed that the United Nations High Commission for Refugees (UNHCR) settle the Rohingyas in a third country. The UNHCR rejected this proposal, retorting, "as a refugee agency, we do not usually participate in creating refugees".[127]

The role of Buddhist monks, an influential segment of Burmese society, has also been significant. The nationalist 969 Movement, and the Organisation for Protection of Race and Religion (MaBaTha), both led by influential Buddhist monks, has encouraged followers to separate and exclude Muslims.[128]The serious and ongoing nature of violence between Muslim and Buddhist communities poses a real threat to the transition underway in Myanmar.

Studies have linked the process of political liberalisation or democratic transition to increased incidence of ethno-religious conflict.[129] In their qualitative studies of ethno-religious conflict in transitional Iraq and Nigeria respectively, both Wimmer and Ukiwo conclude that it is actually a deficit of democracy that encourages conflict. Liberal democracies and authoritarian regimes both exhibit low levels of conflict; while in semi-democracies political violence and conflict are very common.[130] This may be because semi-democracies permit the freedom to express dissatisfaction, but lack a developed democratic culture and procedure to accommodate them.[131] In contrast, liberal democratic systems develop a culture that emphasises negotiation, compromise and conciliation.[132] Societies in transition exhibit similar tendencies as semi-democracies, hence the evidence linking transitions and conflict. The tragic paradox is that conflict threatens to derail the transition process before the new system develops the mechanisms and political culture to deal peacefully with conflict.

Stavenhagen argues that ethnic conflicts arise from "specific historical circumstances" and are moulded by particular circumstances, often to serve the interests of groups – from political or ethnic leaders to idealists and opportunists.[133] Additionally, in states emerging from authoritarian rule, the absence of a strong network of civil society can be detrimental.[134] Another crucial aspect concerns weak states

123 Michaels, above n 19.
124 Physicians for Human Rights, (2013) *Massacre in Central Burma: Muslim Students Terrorized and Killed in Meiktila*, https://s3.amazonaws.com/PHR_Reports/Burma-Meiktila-Massacre-Report-May-2013.pdf 24 June 2015.
125 Selth, Andrew (2004) *Burma's Muslims: Terrorists or Terrorised?* Strategic and Defence Studies Centre, ANU: Canberra, p. 9.
126 Eleven Myanmar, "UN Envoy Calls for Amendment of Myanmar Citizenship Law", in *Eleven Myanmar:* (online) 21 February 2013, http://www.burmanet.org/news/2013/02/21/eleven-media-group-un-envoys-call-to-amend-myanmars-citizenship-law-sparks-fierce-rebuke/.
127 Human Rights Watch, above n 12, p.7.
128 Human Rights Watch, above n 12, p.4.
129 Gurr, above n 2, pp. 85-86.
130 Gurr, above n 2, p. 119.
131 Gurr, above n 2, pp. 119-120.
132 Mousseau, Demet Yalcin (2001) "Democratizing with Ethnic Divisions: A Source of Conflict?" in *Journal of Peace Research*, Vol. 38, No. 5, p. 547, p. 550.
133 Cited in Ukiwo, Ukoha (2003) "Politics, Ethno-Religious Conflicts and Democratic Consolidation" in *The Journal of Modern African Studies*, Vol. 41, No. 1, p. 115, p. 118.
134 Wimmer, above n 3, p.112.

failing to ensure equality before the law. When the rule of law is weak, patron-client relationships emerge.

After 50 years of military rule and civil war, the state does not have effective institutional mechanisms for dealing with grievances. Without effective access to political representation and procedures for the management of disputes, communities may find that the only way to resolve disputes is through violence.

Myanmar's undemocratic 2008 Constitution poses a threat to political transition, particularly in the context of ethno-religious conflict. As Larry Diamond has noted, the Constitution attempts to institutionalise a "competitive authoritarian regime in which the military will remain a dominant veto player".[135] The Constitution contains several provisions that are inconsistent with democratic rule. To take perhaps the most obvious instance, changes to the Constitution require 75 per cent support in the parliament. However, as the Constitution guarantees the Tatmadaw (Burmese army) 25 per cent of seats, unwanted change can easily be blocked.

Article 201 also guarantees the Tatmadaw several seats on the National Defence and Security Council (NDSC). The NDSC's role is a powerful one. The President must work in co-ordination with the Council in many instances, including declaring a state of emergency and granting amnesties. Article 40(c) gives the NDSC "the right to take over and exercise State sovereign power" in the case of a vaguely outlined "state of emergency". The Tatmadaw could use its influence in the powerful NDSC to return to military rule, if they perceive that this is the only way to manage conflict. Continuing conflict may lead the hardline elements within government to abort the transition process, convinced that only the clenched fist of authoritarian rule can manage ethnic conflict. Here we may draw a lesson from history, as an important factor behind the decisive military coup of 1962 was the democratic government's failure to control ethnic and political insurgency. To take another perspective, Tatmadaw hardliners who are concerned that democratic reform has gone too far may use ethno-religious conflict as an excuse to revert to military rule.

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135 Diamond, Larry (2012) "The Opening in Burma: The Need for a Political Pact" in *Journal of Democracy*, Vol. 23, No. 4, p. 138, p. 141.

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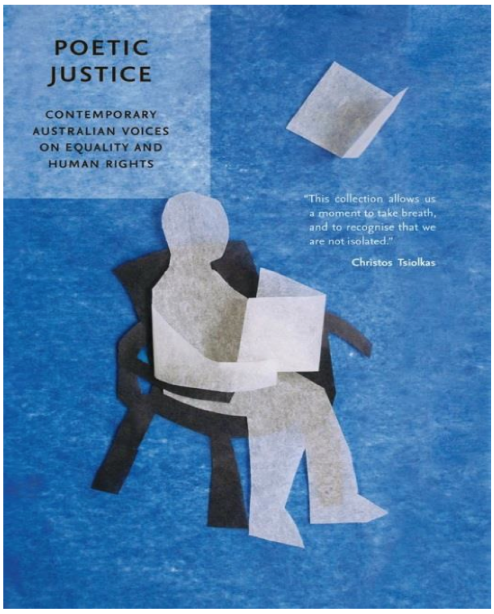

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Is the Polarisation of US Politics a Myth?

Guy Kelleher

From the Declaration of Independence, to the adoption of one of the most enduring constitutions of the modern era, the United States (US) has throughout its history fostered a particularly unique and innovative political system. This system, and the society that has developed in symbiosis with it, have cultivated innate characteristics that differ greatly from those of other Western nation-states. Due to the nature of its history and ideological foundations, the US has developed a social and political context characterised by high levels of individualism. This essay will argue that both the individualism that lies at the heart of the US system, and the history of its party dynamics, drastically inhibit serious political polarisation, thus the polarisation of US politics is a myth.

Philosophical and Political Foundations: Individualism and the Constitution

Substantial debate has identified the political philosophies that underpinned the American Revolution.[136] Many scholars have noted the influence of Lockean liberalism on the founding fathers in their ideation of a constitutional framework for the nascent republic.[137] Locke's vision, elucidated in Two Treatises of Civil Government, provides an abstract and a a priori conception of government as a contract in to which individuals enter to secure their natural rights.[138] Fundamental to this concept is the idea that the social contract between government and the governed is entered on a singular basis, rather than as a pre-constituted social group. This conception is echoed in the Declaration of Independence which espouses the notion of government as an institution agreed upon by individual actors, each seeking to secure individual 'unalienable' [sic] rights.[139] These natural rights, expressed succinctly in the revolutionary motto 'Life, Liberty and the pursuit of Happiness', set the tone

136 Dahl, R (1964) *A Preface to Democratic Theory*, The University of Chicago Press: Chicago; Hofstadter, R (1948) *The American Political Tradition and the Men Who Made It*, Vintage Books: New York; Lane, J (1996) *Constitutions and political theory*, Manchester University Press: Manchester.

137 Bailyn, B (1967) *The Ideological Origins of the American Revolution*, Harvard University Press: Cambridge, Mass; Rourke, J (2011) *America's Politics: A Diverse Country in a Globalizing World*, Paradigm Publishers: London

138 Lane, above n 1, 37.

139 US National Archives and Records Administration, *The Declaration of Independence*, http://www.archives.gov/exhibits/charters/declaration.html, accessed 23/06/2015

for a subsequent constitution marked by the ideation of a polity composed of atomized, and often competing, interests.

Markedly different is the republican motto that emerged in the following decades after the French Revolution: Liberté, Égalité, Fraternité (Liberty, Equality, Fraternity). This provided the foundations for republicanism in France, and later much of Europe. While the notion of Liberty was also of pre-eminence for the révolutionnaires, Égalité emanated a more prescriptive social justice tone, while Fraternité catered to the notion of a preconstituted and unified society collectively establishing a new social order.[140] The works of Montesquieu and Rousseau fundamentally influenced the constitution of the first French republic; both of whom approached the institution of government as a form of administration of the collective popular sovereignty.[141] In The Social Contract Rousseau's emphasis on citizen participation and the sovereign general will is in stark contrast with the republican philosophy (originating in the works of Plato) of checks and balances on majoritarian rule, envisioned by Madison in the federalist papers.[142] These checks and balances, present particularly in the decentralizing discourses of federalism and the separation of powers, foresee a political framework characterised by adjudicated competition, both among private interests and between public institutions.[143] The ideological differences upon which the two Atlantic republics were founded is made apparent by Knapp and Wright who note that in France "the state, rather than holding the ring between a plethora of competing interests, was placed above them as the expression of the general will".[144] Subsequent European constitutions have also emphasized the location of the state firmly above private interests, often readily providing for the expropriation of private property when in the public interest,[145] and the active removal of economic and social differences present among citizens.[146]

The Fragmentation of Power and Society

Responding to the fear of tyranny present in revolutionary anti-British discourse, US society has continuously been reluctant to allow government an active role in the shaping of social structures[147]. It has been noted that the Lockean individualism that permeates much of US social discourse has contributed to building a highly diversified society consisting of a vast amount of cultural and ethnic identities, often in conflicting relationships with one another, and that threaten to undermine the cohesiveness of society itself.[148] Considerable contemporary sociological theory has presumed the existence of an interdependent relationship between heightened individualism and the proliferation of multiple social identities.[149]

In the political arena, this heightened individualism and the social diversity that it assumes translates in to a highly diversified electorate whose interests and political orientation are often hard to decipher.[150] Some sociologists have argued that at the centre of the fragmented political structure of contemporary society are 'the individualisation of political behaviour and the waning capacity of the old large organisations for integration and aggregation'.[151] In the US, political scientists regularly note "high levels of independence from the major parties and the political system more generally": a phenomenon that has gradually increased throughout the twentieth century.[152] At the electoral level, Burden and Kimball have highlighted the phenomenon in which millions of US citizens regularly split their tickets between the Presidential and Congressional levels; essentially disregarding the party identities that have traditionally lead to the political polarisation of society.[153] While some analyses of party affiliation have noted the ability of the two major parties to incorporate and accommodate a variety of ideological groupings into their political platforms,[154] conversely the vastly diverse nature of these groupings inhibits

140 Knapp, A & V Wright (2006) *The Government and Politics of France*, Routledge: New York.
141 Lane, above n 1.
142 Madison, J (1788) "The Structure of the Government Must Furnish the Proper Checks and Balances Between the Different Departments" in *Independent Journal*, 6 February; Rousseau, J (2004) *The Social Contract*, Penguin Books: London.
143 Hofstadter, above n 1, 58.
144 Knapp & Wright, above n 5, 17.
145 Canfora, L (2006) *Democracy in Europe: A History of an Ideology*, Blackwell Publishing: Malden, 176.
146 Canfora, above n 10, 180.
147 Rourke, above n 2.
148 Landy, M & S Milkis, (2008) *American Government: Balancing Democracy and Rights*, Cambridge University Press: Cambridge, 37.
149 Beck, U (2000) 'Living Your Own Life in a Runaway World: Individualisation, Globalisation and Politics', in Hutton W & A Giddens (ed), *On The Edge: Living with Global Capitalism*, Vintage: London; Giddens, A (1991) *Modernity and Self Identity: Self and Society in the Late Modern Age*, Polity: Cambridge.
150 Burden, B & D Kimball (2002) *Why Americans Split Their Tickets: Campaigns, Competition, and Divided Government*, Michigan University Press: Ann Arbor.
151 Beck, above n 14, 173.
152 Burden & Kimball, above 15, 3-4.
153 Ibid 3-4.
154 Maisel, S (2007) *American Political Parties and Elections*, Oxford University Press: New York.

both the Democrats and Republicans from assuming strong polarised stances on particularised issues.

In addition, another factor seen to inhibit the party polarisation of US politics is a strong tendency towards the personalisation of political candidacies. Stemming from prevalent individualism, the US electorate is often assumed to strongly evaluate the personal characteristics of political candidates, rather than focussing solely on ideological orientation. In her seminal study of US elections, Sandy Maisel emphasizes the role candidate affability plays in electoral success, and how current procedures benefit candidates with established name recognition.[155] This phenomenon could explain the high rates of success currently experienced by incumbent candidates at all levels of government.[156] It is interesting to note from a historical perspective how the personalisation of candidates ties in with the republican ideals central to the work of James Madison. Madison in fact argued for a form of republicanism governed by enlightened statesmen, to whom power should be delegated according to an inherent disposition for public office, rather than political affiliation.[157] At the root of this conception was a profound distrust of majoritarian democratic rule, and the suggestion that government should act as more of a control on, rather than a representative of political factions.[158]

The influence of Madison's attempts to temper the polarising forces of faction can be found throughout the US Constitution, particularly in the federal framework of tiered government and the separation of powers. Some recent political debates have emphasized how this federal framework currently allows for excessive party polarisation at the national level.[159] It is suggested that severe legislative stagnation occurs when a partisan majority in opposition to that of the executive dominates Congress. While these debates highlight domestic polarisation between the two dominant parties vying for political power in the US, they do not pose the question as to whether those two parties are truly polarised on an ideological level. When placed in a comparative international context various analysts have posited that mainstream political discourse in the US does not present much ideological polarisation at all.[160]

From a structural perspective, three key elements of the US political system are often cited as inhibiting serious ideological polarisation. First, it has been noted by some theorists that the division of legislative power between the state and federal levels of government means that many polarising issues of a potentially national scale are often absorbed by state legislatures, and therefore do not receive due political attention at the federal level.[161] Consequently the current constitutional framework is seen as preventing certain ideological groupings from mustering the popular support and representative power needed to raise certain issues to the federal level. In addition to this, theorists have speculated on the role played by the electoral system in moderating the diversity of US politics.[162] In his comparative analysis of five major western democracies, Pasquino examines electoral systems with first-past-the-post, winner-takes-all voting methods, such as those used by states (except Maine and Nebraska) to determine the members of the Electoral College.[163] He argues that these electorates develop into two party systems, as they encourage voters to vote tactically for one of the two candidates expected to win, rather than voting sincerely for a preferred candidate with the political platform most suited to the voters' interests. Thus the Presidential and House elections, both characterised by single member districts, are seen to reduce ideological polarisation by barring entry to the full spectrum of political interests that exist outside of the two major parties.

Furthermore, the financial conditions, under which the two major parties campaign, prevent access to a variety of political forces and inhibit serious competition at the national level.[164] In her work on US elections, Maisel estimates the 'cost of entry' needed to be competitive in the presidential race to be around US100 million, raising various questions about the ability to represent political causes unable to garner significant financial backing.[165]

Conclusively, it is suggested that the separation of powers enshrined in the constitution has contributed to a culture within Congress of legislative independence resistant to political

155 Ibid. 138.
156 Ibid 118.
157 Madison, J (1787) 'The Utility of the Union as a Safeguard Against Domestic Faction and Insurrection' in *Daily Advertiser,* 22 November.
158 Hofstadter, above n 1, 59.
159 Mann, T & N Ornstein (2012) *It's even worse than it looks: How the American Constitutional System Collided With the New Politics of Extremism*, Basic Books: New York.
160 Burden & Kimball, above n 15, 13; Pasquino, G (2007) *Sistemi politici comparati; Francia, Germania, Gran Bretagna, Italia, Stati Uniti* [in Italian], Bononia University Press: Bologna.
161 Dahl, above n 1.
162 Maisel, above n 19; Pasquino, above n 24.
163 Pasquino, above n 25.
164 Maisel, above n 19.
165 Ibid 139.

polarisation.[166] At the centre of this conceptualisation is the notion that by separating the executive from the legislature the US model guarantees members of congress an institutional independence that encourages individuality in decision-making.[167] Here comparisons can be made with parliamentary systems in which parliamentarians are bound to the dictates of cohesive party platforms in order to maintain executive power.

Party Polarization in the US and Europe: A Comparative History

When looking at political polarisation in any nation-state, it is important to examine the historical dynamics that permeate its party system. Writing on the development of Western political systems in the wake of the industrial revolution, Lipset and Rokkan developed cleavage theory as a method for interpreting the formation of modern political parties.[168] The theory identifies four basic cleavages that have historically generated political polarisation, serving as foundations for the party systems of modern states. These are known as Centre/Periphery, State/Church, Urban/Rural and Capital/Labour, and provide comparative insights in to the differences between the party system of the US and those of European nations.

The Centre/Periphery cleavage is thought of as the divide that opens during the building of the nation-state between the elites of the politically centralised areas (often the administrative capitals) and those of outlying areas. In European politics this cleavage has often manifested itself in the form of regional nationalisms, such as those found in Spain, Belgium and Scotland, among others.[169] On the North American continent however, this cleavage is perhaps more pertinent to Canada than the US, given the concentrated and often polarised nature of its linguistic and cultural diversity. Centre/Periphery is, save the exception of the civil war, arguably less of a polarising force in the US, perhaps due to the ability of its federal system to absorb decentralized state-based policy needs. The State/Church divide is also a source of polarisation arguably more pertinent to European political systems. While the divide between secular and religious values has been at the core of mainstream politics in various European nations, among others France and Italy,[170] in the US religious values tend to garner some support from both of the major parties, with some theorists noting a broader acceptance generally of the role of religion in politics.[171]

The third cleavage, Capital/Labour, finds its strongest expression in Marxist analysis, and is seen to generate political parties that align with particularised class interests. While the two major US parties have historically represented different normative values regarding the role of government in wealth redistribution,[172] the US has never seen drastic nation wide challenges to its free market economy comparable to those of many European nations.[173] This is due to the entrenched constitutional role of Lockean individualism, discussed earlier in this article, as compared to the potential for governmental interventionism present in many European constitutional frameworks. Lastly, the Urban/Rural cleavage is central to debates surrounding protectionism and the politics of tariffs, it is seen as the building block for agrarian based political movements. Here polarisation has been relatively limited in both the US and Europe, though while agrarian interests may find political representation at a state level in the US, this proves more challenging in the majority of European nations, characterised as they are by higher levels of political centralisation.[174]

Concluding Remarks

This article has examined the philosophical and political foundations of US republicanism, emphasizing the role Lockean individualism has played in developing a constitutional framework resistant to government intervention and political polarisation. The fragmented nature of US society and government, the personalisation of politics and the nature of the electoral system have all placed barriers on serious ideological polarisation in the US. By comparing the US party system to different party systems in European nations, it is observed that European political systems have historically been more profoundly influenced by polarising systems of cleavage.

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166 Pasquino, above n 25; Rourke, above n 2.
167 Pasquino, above n 25.
168 Lipset, S & S Rokkan (1967) *Party systems and voter alignments: Cross-national perspectives*, The Free Press: Toronto.
169 Ibid. 42-43.
170 Knapp & Wright, above n 5, 4; Cartocci, R., (2011) *Costruire la democrazia in Europa: un inventario di strumenti analitici* [in Italian], Il Mulino: Bologna, 102.
171 Rourke, above n 2
172 Beck, P (1999) 'The Changing American Party Coalitions', in J. Green and D. Shea (eds.), *The State of the Parties*, Rowman and Littlefield: Lanham, MD.
173 Cartocci, above n 35, 56.
174 Lipset, & Rokkan, above n 33, 20.

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