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The advancement of female entrepreneurship in Australian foreign policy

Introduction

In June 2014 Australian Department of Foreign Affairs and Trade published a paper entitled *Australian aid: promoting prosperity, reducing poverty, enhancing stability*. It is a declaration of the most important aims and rules, on which the Coalition, consisting of the Liberal Party of Australia, the National Party of Australia and some smaller regional parties, which have been in power at the federal level since 2013, intends to base the Australian foreign policy in the areas of humanitarian and development aid. The paper's introduction was written by Julia Bishop, Australia's first ever female Minister for Foreign Affairs. She wrote: “We will give increased attention to empowering women and girls as a central objective of our aid program, recognising the significant benefits that flow to whole communities from women's participation” [Department of Foreign Affairs and Trade 2014a:1].

This direction of policy can also be seen in the more detailed part of the paper. One of the six listed priorities of the Australian aid to other countries is “gender equality and empowering women and girls” [Department of Foreign Affairs and Trade 2014a:25]. If we take into account this and in the same time the general aims stated in the title of the government paper, such as reducing poverty and promoting prosperity, we can clearly see that increasing women's role in the economy, including making them more active as entrepreneurs, is an important issue for the Australian authorities. According to some commentators, the current government in Canberra seems to be even more preoccupied with the advancement of women abroad than inside Australia [Harris Rimmer, Sawyer 2016].

This paper argues that, when analysing this part of the Australian foreign policy, one can notice two

phenomena, which have already been described in theoretical works. The concept of the state as an institution-organisation (*instytucja-organizacja*) was taken from the theory of economics, namely the institutional economics. In the light of the research presented in this paper, Australia clearly seems to be such an institution-organisation. However, one can also notice Australia exercising its soft power, which in turn is a concept from the theory of international relations. This author asserts that such an interdisciplinary approach offers the fullest explanation of the motivations behind Canberra's policy of advancement of female entrepreneurship.

Firstly, the paper presents in brief both major theoretical concepts, which are used in this argument. Then it shows main documents and other elements of the institutional framework, which provide the foundations of the Australian policy in this field. This is followed by a description of some projects on the ground, which serve as examples of the execution of aims and priorities stated in the documents. In the final part of the paper, the assembled research material is analysed in the light of the above-mentioned theoretical concepts. The author also tries to formulate an assessment of the Australian foreign policy in this area.

Theoretical base

According to Z. Staniek, in the institutional economics the state is an “institution-organisation”, which combines elements of economic and political institution. In this approach the term institution-organisation is a synonym to a “special kind of management structure”. Staniek notes that “it is still the task of the state to co-shape an effective institutional system in the economy as a whole and on each market”

and that “it is the state’s role to prevent creation of «institutional holes». He also underlines that state and market are both complementary and substitutional to each other. While explaining the importance of market regulation in the modern state, he explains that it is more about creation of conditions for effective operation of the markets, rather than about exercising control over them” [Staniek 2017:48-49, 199-201].

In addition, Staniek uses the term “good governance”, known also from the political science. One of the characteristics of good governance, which he lists, is state efficiency, which can be manifested by “introduction of reforms serving long-term interest of the state and its society”. Following on this thought, he stresses the importance of public investment, which can be complementary to private investment. In particular, investments in areas such as public goods, infrastructure and social services can attract private capital and decrease the costs of running private enterprises [Staniek 2017:200-201].

The above-mentioned argument applies first and foremost to the domestic economic policy of the state. However, one can argue that it can also be applied to the foreign economic policy. Stimulation and regulation of the economy, as well as prevention of creation of the institutional holes and the work to fill the already existing holes, can also be the content of policy of one state towards another one. But if that is the case, one needs to ask: what would be the motivations of a state to act this way on the international arena?

One possible way of answering this question is to say that taking on the role of an institution-organisation towards other state is a form of exercising one’s soft power.

J.S. Nye is widely accepted as the author of the “soft power” concept. The idea was developed in contrast to hard power. J. Sadłocha is right in explaining the difference between the two by saying that “*hard power* is a power of dictation, meaning it is based on the ability to force another actor into actions expected by the given state. *Soft power*, on the other hand, applies to a power of co-optation, meaning ability to exercise influence on other actors by broadly understood cultural, political and economic attractiveness, which allows the given state to influence action of other states without the use of force” [Sadłocha 2012:35]. Additionally, K. Zielińska argues, that development aid to other countries may be considered one of the sources of soft power. She also stresses, and that is important in particular for this paper, that her argument does not apply only

to aid in the form of financial transfers, but also to transfers of technology and other forms of sharing knowledge [Zielińska 2016:14].

Institutional framework

In contrast to the structures used in many other countries, in Australia the foreign policy, its economic dimension, as well as issues such as humanitarian and development aid, are concentrated in one governmental department. This particular way of organising Australian diplomacy, as well as challenges and profits brought by this solution, are discussed in scholarly works by, among others, S. Harris [2002], G. Miller [2002] and M. Wesley [2002]. In spite of the fact that there are usually¹ two separate ministerial portfolios in the federal Cabinet of Australia, the Minister for Foreign Affairs and the Minister for Trade, the two politicians holding those offices use a single civil service branch, assembled in the joint Department of Foreign Affairs and Trade. This arrangement decreases the tensions between “political” and “economic” officials, which can occur in the process of shaping the Australian foreign policy, both in its strategic dimension and in its more detailed elements, such as the advancement of female entrepreneurship. This makes both those major components of the foreign policy, political and economic, better integrated with each other and it allows most undertakings to include both aspects.

The issue of empowerment of women seems to be a good example. Just like Australia perceives the economic development as an important element of its efforts to maintain international peace and security in general, in a similar way, but on a more detailed level, it sees strengthening of the economic standing and role of women as an indispensable part of its broader commitment to make the situation of women generally better, in all aspects. In the above-mentioned 2014 paper, which focuses on the Asia-Pacific region, which the closest one for Australia, effects of the economic discrimination of women are described using economic data. The authors state that the existing limitations in women’s access to the labour market cost the region’s economy as much as 47 billions US dollars (USD) per annum. The cost of unequal access of girls to education is estimated to be another 30 billions USD per annum. That is why the authorities in Canberra decided that projects totalling at least 80% of the Australian development aid budget will include elements empowering

women, regardless of the exact nature of the project or its other priorities [Department of Foreign Affairs and Trade 2014a:25].

This broad term “empowerment of women” was further developed in the paper in question by splitting it into enhancing:

- “women’s voice in decision-making, leadership and peace-building”
- “women’s economic empowerment”
- “ending violence against women and girls”.

The economic aspect, contained in the second point, is as important as political issues (the first point) and social issues (the third point) [Department of Foreign Affairs and Trade 2014a:25].

One can find another proof of just how important the economic empowerment of women is by looking at a different part of the 2014 ministerial paper, in which the Department declares its intent to coordinate aid programmes with its diplomatic activities. One of the specific tasks heralded by the document is “expanding women’s access to and participation in the global economy through advocacy within international fora, such as the G20” [Department of Foreign Affairs and Trade 2014a:25].

In August 2011 a new office was created within DFAT structure, called Global Ambassador for Women and Girls. It is particularly noteworthy that it happened during the tenure of Julia Gillard, Australia’s first female Prime Minister. In a joint media release announcing this decision, the Prime Minister, the Minister for Foreign Affairs and the Minister for Women wrote that “Australia wants to be at the forefront of global efforts to promote the role of women and girls”. The ambassador was also tasked with making sure that the women issues have an adequate place in the Australian foreign policy [Minister for Foreign Affairs 2011]. There have been three ambassadors so far: Penny Williams (2011-2013), Natasha Stott Despoja (2013-2016) and Sharman Stone (from January 2017) [Minister for Foreign Affairs 2011, 2013, 2016].

Strategy for women

In February 2016 DFAT published a policy paper entitled *Gender equality and women’s empowerment strategy* [2016]. The strategy repeats Australia’s aims on women’s empowerment and the means to achieve them, which had already been formulated in 2014, but it presents them in more detailed fashion.

In the chapter entitled *Priorities and approaches*, a number of specific policies is announced with regard to the advancement of female entrepreneurship. According to the paper, Australia can:

- “support women and girls, particularly those who are disadvantaged, to learn business and vocational skills,
- assist women to engage in global value chains,
- address barriers faced by women entrepreneurs, including the market supply-side gap preventing women from accessing finance,
- support women to access resources and innovations to improve agricultural productivity and income,
- promote women’s advancement in the private sector,
- help improve the business and legal environment for women entrepreneurs,
- support public and private sector organisations to eliminate discrimination against women in their organisations or supply chains, including in government procurement,
- link Australian women in business with counterparts in emerging markets,
- ensure our infrastructure investments support women’s access to economic opportunities” [Department of Foreign Affairs and Trade 2016:9].

In addition to the policies listed above, which are mostly connected to the foreign development aid, in the 2016 paper, Australia confirms that the enhancement of position of women will be an important issue also in its activities at multilateral fora. Examples provided in the paper include Asia-Pacific Economic Cooperation (APEC) and Pacific Islands Forum. The Strategy also stresses the Australian support for creation of the thematic “Women 20” group within the G20 [Department of Foreign Affairs and Trade 2016:9].

A separate part of the strategy is entitled *Four commitments* and in this part Australia once again commits itself to integrate the women’s issues into different areas of its foreign policy. And also in this part one can find multiple, direct references to the female entrepreneurship. There is talk of the importance which Australia attaches to the equality of rights and possibilities available to women as participants in the economy. The paper declares that Australian diplomacy will:

- “work to remove barriers in trade-related regulation to women’s economic participation and equitable benefit,

- use our international networks and partner with the private sector to support women-led businesses to increase international trade and access to finance and other resources,
- support women’s economic empowerment as purchasers, vendors, employers and entrepreneurs” [Department of Foreign Affairs and Trade 2016:18].

Since the fiscal year 2015-2016, a special part of the Australian development aid budget has been set aside as the Gender Equality Fund and it has been spent only on projects working on the empowerment of women. In the current fiscal year, 2017-2018, the Fund’s value is 55 mln AUD (Australian dollars). [Department of Foreign Affairs and Trade 2017a:76]. Obviously, not all initiatives financed by the Fund deal with female entrepreneurship, but, as it has already been discussed, the economic aspect does have a significant role in this area of the Australian foreign policy.

In another governmental paper, published a few months after the strategy, Australia declares its willingness to stimulate seven major drivers of women’s economic empowerment, as defined by United Nations Secretary General’s expert panel and published in 2016. The drivers are:

- tackling adverse norms and promoting positive role models,
- ensuring legal protection and reforming discriminatory laws and regulations,
- recognizing, reducing and redistributing unpaid work and care,
- building assets – digital, financial and property,
- changing business culture and practice,
- improving public sector practices in employment and procurement,
- strengthening visibility, collective voice and representation [Department of Foreign Affairs and Trade 2017b:9].

Examples of projects

The term “support for female entrepreneurship” is a very broad one. Different conditions in different countries and regions require a very diverse range of actions and projects, all of which support that goal.

In **Papua New Guinea**, which is Australia’s direct neighbour and its former external territory, most people make their living by working in agricultural production. A large group of farmers, including women, sell their produce in marketplaces in cities and towns,

particularly in the capital city – Port Moresby. The analysis of the situation led to the conclusion that one of the major barriers, which prevents women from taking part in this type of business on equal terms, are the conditions at marketplaces, particularly lack of adequate security. Australia has sponsored a programme, administered by UN Women, a specialised branch of the United Nations, which strengthens police presence in the places where trade takes place. The sanitary conditions have been improved by installing showers and points of access to running water. It also included modernisation of stalls and other infrastructure used by poor farmers, including women. A sellers’ association was also created, so that the vendor’s community can self-regulate and benefit from each other’s support [Department of Foreign Affairs and Trade 2014b:1-2].

Women’s activity in the food and farming sector is also the main focus of the Australia-funded project in the **Kingdom of Tonga**, namely on the island of Tongatapu. Many Tongan women, following in their mothers’ and grandmothers’ footsteps, cultivate vegetable gardens and produce simple food products, such as jams etc. One of the aims of the programme is to give them knowledge which would enable them to create microbusinesses. One needs to bear in mind that food based on traditional recipes is more and more appreciated and sought after. As part of the programme the participants do not just acquire business skills, e.g. how to start exporting in their small companies, but also broaden their specialist skills, e.g. they learn how to use new ingredients or how to follow dietary rules [Department of Foreign Affairs and Trade 2017b:28-29].

In **Bangladesh** support of the female entrepreneurship is one of the major methods of fight against ultra poverty. Australia co-finances a programme run by BRAC, the country’s largest charity. According to DFAT’s data, the programme has 95% efficiency – in so many cases the financial situation of women improves to the level, at which they are no longer considered ultra poor. The programme uses instruments such as microcredits and other forms of financing for people beginning their business activity. It also involves the construction of the most basic infrastructure, starting with toilets and wells.

One of DFAT’s papers tells a story of a woman, who is an example of person helped by the programme. To begin with, two cows and a shed for them were bought for the woman. She also received access to health care and a modest scholarship, so that she could survive before her business had be-

come profitable. In the same time she took part in classes, where she learnt the basics of management and other skills, which are useful in microbusiness. Then the BRAC fund supported her in the following small investments, such as the lease of land to grow rice or opening a small shop. All those steps made her able to support herself and repay all the loans within just two years. Authors of the paper stress that this required a lot of determination and hard work on her part, but it did lead to the anticipated results [Department of Foreign Affairs and Trade 2014b:2-3, 15].

Another women's programme is financed by Australia in **Nepal**. The country suffered from an earthquake in 2015, which destroyed many homes and workshops, including those belonging to women. Since then Australia has sponsored aid for over 12 thousand owners of microbusiness, in support of their reconstruction [Department of Foreign Affairs and Trade 2017b:18-19].

In **Cambodia**, discrimination of women is concurrent with another major social challenge, namely marginalisation of the disabled people. A large part of Cambodia's disabled population are the victims of military conflict and its direct consequences, such as land mines. Bearing that in mind, in that country Australia provides special support to the disabled female entrepreneurs, who work in sectors such as tailoring or handicraft aimed at tourists (manufacturing of souvenirs) [Department of Foreign Affairs and Trade 2017b:20-21].

Inadequate access to loans or, speaking more broadly, to financial services is an important barrier for female entrepreneurship, and in consequence a factor with adverse influence over women's financial and social standing, also in the South **Pacific region**, which is very important to Australia. This phenomenon has been diagnosed in Fiji, Samoa, Tonga and Vanuatu. The answer is *Pacific Financial Inclusion Programme*, co-sponsored by Australia. The main solution used by the Programme is to make financial services available via mobile applications, which one can install on one's mobile phone or tablet. In some cases, the programme provides support not just to individual citizens, but also at the state policy level. In Fiji, until recently all social benefits had been paid out only as paper vouchers, which one could have cashed only at post offices. That was troublesome and time-consuming. Now one can receive benefits via bank transfer and then one can collect the cash in an ATM [Department of Foreign Affairs and Trade 2014b:4].

The issue of lack of even small capital in the hands of women applies also to **Timor-Leste**, where Australia co-sponsors a programme supporting the establishment of women's cooperatives. Their work includes handicraft and micro production, e.g. baking cakes, and small farming. The incomes are used to create a loan fund for the members and they can also be used in support of the education of the members' children.

In **Vanuatu**, Canberra supports a programme developing vocational training of women in professions traditionally dominated by men, especially in, broadly speaking, technical trades. Thanks to this, in this island country there are more companies run by women in sectors such as construction or electrical services [Department of Foreign Affairs and Trade 2014b:6-14].

Similar goals have been incorporated into a programme in **Timor-Leste**, co-sponsored by Australia, which deals with the construction of roads in the rural areas. One of the goals, once reached, will make women constitute at least half of staff employed for this investment. As of January 2017, female employment in the project stands at 30%. Additionally, women are owners of 15% of companies, which were awarded contracts for parts of the project [Department of Foreign Affairs and Trade 2017b:16-17].

In **Solomon Islands**, a major reform of legal regulations regarding registration and running of businesses proved to be the key to increasing the number of women, who are either owners or key personnel of companies. The government of Australia, together with the Asian Development Bank (ADB), provided access to necessary expertise and training both to the state authorities and to individual citizens [Department of Foreign Affairs and Trade 2014b:6-14].

A separate group of projects financed by the Australian aid budget deals with creation and development of female social elite, i.e. group of women who are leaders in social and economic life. Very often social advancement of women, but also their promotion within the ranks of their employer, require many different changes, such as combating stereotypes, creation of supportive work environment or further education. In Papua New Guinea Australia sponsors this sort of project, which is, importantly, promoted and supervised by those relatively few, yet powerful, women from very high levels of social and economic life. This means there is a kind of mentoring or an attempt to share their achievements by the women, who were the first to make it through the glass ceiling.

One should also not underestimate the importance of the establishment of networks of female entrepreneurs both at national and international level. The first Pacific Women in Business Conference took place in 2012 in Fiji. It was attended by female representatives of state institutions, non-governmental organisations (NGOs) and businesses. It was organised by the Pacific Islands Private Sector Organisation, but it would not have been possible without the financial assistance from the government of Australia [Department of Foreign Affairs and Trade 2014b:17-19].

In 2015 a similar meeting, also co-sponsored by Australia, took place in Seychelles. It involved women the entire Indian Ocean basin, which allowed countries of East Africa to be included. In the immediate aftermath of the conference an initiative was launched by the Australian High Commission² in Mauritius, which included development of training and mentoring programme for micro-businesses and SMEs (small and medium enterprises), but only for those owned by women, from four island states of the region: Comoros, Madagascar, Mauritius and Seychelles. It was designed in a way combining local circumstances with experience of much more mature businesses in Australia. Beneficiaries of the programme operate in sectors such as textiles, retail, hotel services and fisheries. Apart from the purely educational aspects of the initiative, the meetings between Australian and East African female entrepreneurs, which were also part of it, had important networking value [Department of Foreign Affairs and Trade 2017b:22-23].

In the Solomon Islands, Australia supported the establishment of the country's first female entrepreneurs' association. As of 2014, it has 480 members, but one needs to relate this number to the entire population of the country, which is ca. 600 thousand people. Since 2012 the association has organised a special fair in Honiara, the country's capital, every two months. It served exclusively as a place where businesses run by women can sell their products [Department of Foreign Affairs and Trade 2014b:17-19].

The above-mentioned Gender Equality Fund has pledged 25 mln AUD to the support of the South Asia Regional Trade Facilitation Program (SARTFP). The programme deals with issues such as facilitating trade, including cross-border trade, and broadening access to infrastructure. One of its important goals is to make it easier for

women to get involved with the region's economy. Apart from its support for female activity in the labour market, including women's role as owners of tourism businesses, the programme creates places where women can engage in trade in safe and direct way, which can be otherwise difficult in many countries of the region. There are also some educational, networking and experience-sharing projects, aimed at South Asian women, associated with SARTFP [Department of Foreign Affairs and Trade 2017b:26-27].

Another important element of the creation of business and social elites in the developing countries are academic programmes and internships in Australia. DFAT, in association with partners including the federal Department of Education and Training, has introduced a mechanism called Australia Awards³. It is aimed at particularly promising young entrepreneurs, scholars and leaders, regardless of their gender, but with women as a large group of actual beneficiaries. In at least two large African countries, namely Ghana and Kenya, governmental programmes supporting farmers, women, in particular, are currently being run by or are using expertise from female civil servants, who have recently been Australia Awards' scholars [Department of Foreign Affairs and Trade 2017b:24-25]. This is yet another form of the Australian exports of skills, used alongside making Australia's own experts available and organising training programmes on the ground in other countries.

Pacific women programme

Another programme, which merits a separate analysis, is the *Pacific Women*. It is a long-range programme, scheduled for the years 2012-2022. It is co-run by the Australian Department of Foreign Affairs and Trade, whose budget is the main source of financing for the programme, together with the Pacific Community, governments of 14 states and territories in the South Pacific as well as numerous other partners. The total budget of this initiative stands at 320 mln AUD. Aims of the programme include improvement of the social standing of women in different dimensions, with an important role of the economic aspects. [Pacific Women 2016:12-13]. A few projects, financed by the programme and dealing with issues of female entrepreneurship and economic activity, are presented below.

In three countries of the region, namely in Vanuatu, Solomon Islands and Fiji, there is a project similar to the above-mentioned one in Papua New Guinea. A large-scale modernisation and reconstruction of markets and other places of trade exchange has been undertaken, with Australian involvement worth 12,5 mln AUD. The aim is to enable women, who work in food and agricultural micro production, to sell their goods safely and on equal terms with men. In case of Vanuatu, the programme also finances the reconstruction of this sort of infrastructure, following the destruction caused by the cyclon *Pam* in March 2015. It is worth pointing out that women not just trade in the redeveloped marketplaces, but, by taking part in various forms of vendors' associations, they are involved also in the management of these sites. [Pacific Women 2016:31-32]. Another project, technically separate, but also financed by the Pacific Women and run in the same three countries, focuses on the education of female vendors.

In Papua New Guinea nearly 4,5 mln AUD from Pacific Women's budget has been spent on a specialised programme for the coffee industry. Growing coffee is an important area of female economic activity in PNG's rural areas. Although women take an active part in farming, other positions both in the coffee business and in specialised government agencies, had until recently been dominated by men, which made cooperation with female farmers more difficult. Now more and more of the so-called extension officers, who are the key contact people for farmers growing coffee, are female [Pacific Women 2016:32-33].

Another project with focus on a specific sector, a very different one though, was organised in Fiji. Its scholars were 25 young people, including 24 women, from poor and rural backgrounds. As part of the project, they underwent free training in South Pacific's leading facility which teaches future staff for cosmetic and spa businesses. Scholars could then become employees of companies or they could try to establish their own business. At first glance, one could think that cosmetic business is not a very promising one in a relatively poor and small country, such as Fiji. However, one should remember that a large part of customers is actually tourists, who visit Fiji in large numbers [Pacific Women 2016:33-34].

One more interesting project in the same country was the creation of Fiji Women's Fund, which Australia supported with 10,5 mln AUS. It is a small-

scale version of Pacific Women and it allows grants to support various pro-women initiatives, including economic ones, to be decided on locally, in an easier procedure. [Pacific Women 2016:59-60]. Another Fijean project, financed directly from Pacific Women's central budget, supports women working in the fishing industry in two of Fiji's provinces, where this sector is a particularly important part of the economy. Small budget of this programme, which is just 85 000 AUD, shows that even without vast amounts of money being spent, one can clearly see results. The project involved the creation of relations between Fijean female fishers and various institutions (governmental as well as industrial) both at home and abroad. The most important part though was trainings and workshops both in the fields such as finance and management, but also in very specialised, professional skills [Pacific Women 2016:61-62].

In Kiribati Pacific Women sponsored a project trying to make parliamentarians from states and territories of South Pacific more sensitive to the issues of women's economic empowerment. Interestingly, in the Kiribati parliament, only 3 members out of 45 are female (as of 2016), but one of them had had a successful career in business, before she came into politics. A conference organised as part of the project was attended by 60 MPs from 21 different parliaments [Pacific Women 2016:64-65].

A very interesting project run in Papua New Guinea facilitated transition of small farming businesses, which are a very important form of small entrepreneurship in this country, from entities run single-handedly by a male family head into family businesses with more partnership- and team-based management model, with important role for women, as well as for the younger generation of future successors to the business. In order to reach out to farmers and gain their trust more easily, support from the local Baptist Christian church was arranged [Pacific Women 2016:73]. When talking about Pacific Women's projects in PNG, it is worth mentioning that another initiative helps employers react in a better way to the cases of domestic violence among their staff. One aspect of it is to combat stigma, which can be attached to women who come to work with visible signs of having been subjected to violence. On the other hand, mechanisms are put in place to ensure that it is the aggressive husband or father who will face trouble at work, not his victims [Pacific Women 2016:75].

Australia as institution-organisation exercising its soft power

Analysis of the research material presented above, as well as of the theoretical concepts used in this paper, leads to conclusion that Australia, which like every state is seen by the institutional economics as institution-organisation, considers the economic discrimination of women in the countries, which it supports, to be one of the institutional holes, which should be gradually removed. Using Z. Staniek's terminology, one can also say that different government failures have been diagnosed in the countries which benefit from Australia's aid programmes. Another applicable term is the "initial set of formal institutions" (*początkowy pakiet instytucji formalnych*), which should be created using state policy, otherwise the expected economic development, stimulated primarily by private enterprises, will not be possible. Many of the projects undertaken by Australia, which have been presented in this paper, are actually attempts at systemic change, primarily, but not only, by combating cultural and legal, and also economic as a consequence, discrimination of women. For example: although facilitation of registration of businesses in Solomon Island was introduced, in part, in order to facilitate the economic empowerment of women, one needs to admit that the earlier obstacles to the formal establishment of business were a factor which made the start more difficult to all entrepreneurs, including men.

Projects which Australia sponsors are in clear relation also to the good governance issue, discussed above. While better infrastructure and social environment benefit women in the first place, they also help enhance state effectiveness and raise the overall level of governance.

Is this policy altruistic though? When a state, seen as institution-organisation, acts inside its borders, one can say it is absolutely natural and understandable. The goal of every government, and particularly of one with a democratic mandate, should be to bring positive change into the lives of citizens, by the way of, among other means, economic development of the country. Things look differently in international relations, where state acts outside. It influences other actors, who usually have no part in providing its authorities with their mandate to govern.

The question about the paramount motivation to the states' international activity is one of the most crucial subjects of scholarly debate in the theory of international relations. J.Z. Pietraś calls different ways of answering that questions "explanatory models" (*modele eksplanacyjne*) and he shows differences between models, which various schools of theoretical thought have worked out [Pietraś 1997:29-38]. M. Wesley and T. Warren [2000], while confronting different explanatory models with the history of Australian foreign policy, list three traditions of thinking, which have dominated throughout the history of Australian diplomacy. They call them *traditionalism*, *seclusionism* and *internationalism*.

Those two authors argue that, while all three traditions have influenced each other, it has been internationalism which has had the most influence over Australian policy towards the regions of South Pacific and East Asia, where the vast majority of the projects aimed at female economic empowerment, presented in this paper, has taken place. Students of this tradition are highly inspired by an explanatory model called neoliberal institutionalism. According to this model, although the international relations are anarchic by their nature, gradual institutionalisation makes them ever closer and closer to a form of society, which, in all its diversity, is governed by some universally accepted rules [Wesley, Warren 2000:18-20].

One could say that this is the moment in the argument, in which the theory of institutional economics and terms from the theory of international relations are very much complementary to each other. Here we can see Australia as both member of this society of states, and as an institution-organisation. As argued by the soft power theory, Australia wants to exercise influence over its international environment, especially over its neighbours, but it wants to do so by using soft power (power of co-optation), rather than hard power (power of dictation). By helping its regional partners and other beneficiaries of its aid to remove institutional holes, such as the economic discrimination of women, Australia also brings their economic and social systems closer to its own. In many ways it becomes a role model or a guide on the path to development. By extending the range of influence of its own values and institutions, Australia increases its overall influence over the region and at the same time it stabilises the region on its own terms. This means we are looking at an exemplary instance of exercising influence using soft power.

An attempt of assessment

It is a question worth asking: what are strong points of the Australian foreign policy in the field of advancement of female entrepreneurship and what improvements can still be made?

Undoubtedly, a very valuable aspect of Australian actions toward women is their far-reaching integration with other dimensions of the foreign policy. It is most visible in programmes of humanitarian and development aid, but one can see such correlations also in bilateral economic and political relationships with other countries, as well as in Australian activities in multilateral fora, with G20 being the best example.

Australia is sometimes accused that in its foreign policy it is willing to make sacrifices of issues such as human rights, if important economic interests are at stake, particularly with key partners, among which People's Republic of China is the example which appears most often [Ungerer 1997]. When it comes to the issue of women's economic empowerment, it seems that is well-written into the whole of Australia's relations with its partners and it does not stir controversy.

On the other hand, this may be the case, because Australian policy in this area is in fact run in a rather cautious way. The list of countries, presented above, where Australia runs or sponsors projects supporting women, does not include China or India, in which cases asking too loudly about women's right could have a negative effect on other dimensions of relationship, more important from the *realpolitik* point of view. Without any doubts, Australia is a regional power in South Pacific [Fry 1981, Ball 1973] and it has helped the countries of the region for years in various forms. With them, making women's issues more important in aid programmes, something that has been clearly visible in recent years, has not posed any significant economic or political risk. One could make a similar comment also about relatively poorer countries of East and South East Asia, such as Bangladesh, Cambodia or Timor-Leste.

Another weakness of Australian policy towards the advancement of female entrepreneurship, surely originating in its budgetary limitations, is its limited geographic scope. Australian aid is focused on the parts of the world closest to Australia. It helps Africa in a very modest way and the above-mentioned government paper do not reveal any serious involvement in areas such as Latin America, the Caribbean, Middle East or even the post-Soviet parts of East-

ern Europe and Central Asia. This means that Australian policy in that field, as of now, can hardly be called a global one.

On the other hand, knowing its limitations, Australia has never aspired to the role of a truly global power. Its goal is being a middle power [Smith et al. 1996:95]. One has to admit that Australia advances female entrepreneurship more and more efficiently in its region. In association with other countries, it also tries to raise the importance of this issue in the wider international arena. Perhaps one cannot expect much more from a middle power, especially in such a relatively short time, which has passed since this issue was introduced in earnest to the documents of Australian diplomacy.

- ¹ The Prime Minister of Australia always has a final word on this and he/she can shape the portfolios of his/her ministers, in a way somewhat similar to the Polish system, existing under the Governmental Administration Divisions Act (ustawa o działach administracji rządowej).
- ² Due to historical and legal reasons, member states of the Commonwealth, which mostly means former British colonies and dominions, traditionally refer to their ambassadors in each others' capitals as high commissioners and the embassies are called high commissions.
- ³ About the Australia Awards, URL: <http://australiaawards.gov.au/Pages/about.aspx>

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