



**The Role and Policy of the South Australian
Government in the Development of Economic Ties
with Asian Nations**

by

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List of Abbreviations

ADL:	Arthur D. Little (Report)
AIEF:	Australian International Education Foundation
ATC:	Australian Tourist Commission
Austrade:	Australian Trade Commission
AWEC:	Australian Wine Export Council
BID:	Business Investment Division
DECS:	Department for Education and Children's Services
DETAFE:	Department for Employment, Training and Further Education
DITT:	Department of Industry, Trade and Technology
DPC:	Department of the Premier and Cabinet
DSDT:	Department of State Development and Technology
EDA:	Economic Development Authority
EDB:	Economic Development Board
EDAB:	Economic Development Advisory Board
ELICOS:	English Language Intensive Course for Overseas Students
EMDG:	Export Market Development Scheme
IBD:	International Business Division
IBS:	International Business Services
ISP:	International Student Program
IT:	Information Technology
MACAJ:	MFP Australia Cooperation Association of Japan
MFP:	Multifunction Polis
MFPDC:	MFP Development Corporation
MISBARD:	Department of Manufacturing Industry, State Business and Regional Development
NECS:	New Exporters Challenge Scheme
NSW:	New South Wales
NT:	Northern Territory
SA:	South Australia
SACFM:	South Australian Centre for Manufacturing
SADC:	South Australian Development Council
SATC:	South Australian Tourism Commission
TAFE:	Technical and Further Education
WA:	Western Australia

Research Declaration

This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

I give consent to this copy of my thesis, when deposited in the University Library, being available for loan and photocopying.

Signed: .

_____ Date: 23 June 1998

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Abstract

While national governments are widely recognised as major players in international relationships, subnational governments, such as state and provincial governments, have recently increased their presence in the international economic scene in response to the globalisation of the world economy. The foreign economic activities of subnational governments have gained the attention of scholars, particularly in the US and Canada. Nevertheless, the range of research on subnational governments on this subject is still limited in comparison with studies on national governments, and noticeably little research has been done on Australian state governments.

This research examines the South Australian Government as a case study of subnational governments in the international economic scene. It specifically investigates motivations for the pursuit of external economic interests, methods for those activities, and the critical elements in deciding target nations. In terms of target nations, I focus on the government's strategy towards Asian economies generally, and towards Japan more specifically. To analyse these factors, this thesis explores the SA Government's activities over the last decade in export promotion of goods and services, attraction of foreign investment, and the use of sister relationships for commercial purposes.

This study has revealed that the major motives which have encouraged the SA Government, as well as many other subnational governments, to be involved in international economic activities are global economic interdependence, mistrust of central governments' activities, and competition with other subnational governments. Important tools adopted in subnational activities in the global scene have included: overseas offices, trade missions, programs to encourage small firm exports, packages to attract foreign investment, and special relationships with foreign counterparts. These methods are also employed by the SA Government, and its overseas offices, especially, play an important role.

The SA Government has paid greatest attention to Asian economies, namely Japan and other countries such as China and South-East Asian nations, mainly due to their economic significance. It is important to examine the SA Government's strategies towards its target nations. The exploration of these strategies identified some significant differences between its strategies towards Japan and other key Asian markets. The SA Government has been less active in sending trade missions to Japan and, instead, sought more effective approaches in enhancing economic ties with Japan, such as greater focus on the operation of the Tokyo office. The government's recognition that Japan is difficult to develop further economic ties with, but too important to ignore, influences these strategies.