
Paradigm Shift: China's Rise and the Limits of Realism

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The Australian strategic debate about the rise of China is heating up. In the hallways of power, as in the lecture rooms of reason, the possibility of a future Sino-American war is no longer considered outrageous or alarmist. It is accepted as a distinct possibility, if not an increasingly likely one. One of Australia's most prominent thinkers on the matter, Hugh White, argued in his widely-acclaimed essay, *Power Shift*, that the US response to China's rise is a choice between competing against Beijing and risking war, withdrawing from the western Pacific, or sharing power with China in a geopolitical Concert of Power. However, the structural realist assumptions underpinning *Power Shift* are open to debate, as is the policy prescription that an exclusive Concert of Asia would best serve regional peace and stability in the decades ahead. Australian and regional policy-makers ought to question the limits of realism as the theoretical grounds of defence contingency planning for a potential war between the United States and China, lest they forget the national instrument which can and frequently has averted war: diplomacy.

This essay responds to core questions raised by Hugh White in his September 2010 essay *Power Shift*.¹ It begins by discussing the major strategic changes under way in the Asia-Pacific. It supports White's diagnosis of the strategic dangers facing Australia in the near future, and accepts that there is something wrong with Australia's vision of its future between China and the United States. It commends White's cogent and timely argumentation that the Australian Government must plan for a potential future of traditional inter-state military conflict in the country's direct strategic environment. It agrees that great power war in the Asia-Pacific is not only thinkable, but increasingly likely. Nevertheless, this analysis views China's ongoing political-military rise in global prominence, and the problems it engenders—particularly the US and Australian responses thereto, and the potential for a Sino-American war—from a different perspective.

Instead of relying upon structural realist and balance-of-power assumptions, the guiding assumption here is that the effective conduct of diplomacy is capable of preventing wars. This leads to a critique of White's structural realist theoretical premises, which are reflected in the policy prescription that an Asian 'Concert of Power' would be the best alternative for Australia. The article emphasises the mixed record of great powers concerts, particularly in nineteenth century Europe, and argues that they may historically have been the cause of as many wars as they avoided. Finally, this piece presents the

¹ Hugh White, *Power Shift: Australia's Future between Washington and Beijing*, Quarterly Essay no. 39 (Melbourne: Black Inc, 2010).

Australian government with five policy recommendations as alternative diplomatic options to *Realpolitik* and war.

White's 'Power Shift' Thesis

The evolving Asia-Pacific security environment poses challenging questions for Australia's long-term strategy: What does the economic and military rise of the People's Republic of China imply for Australia? Can existing multilateral institutions and bilateral relationships avert a systemic breakdown of diplomacy, which the power shift away from US regional primacy might entail? If not, which policies should Australia adopt to protect its strategic interests in a potentially competitive Asia-Pacific? What should Australia do in the event of a US-China war? Hugh White concludes that Australia has five strategic options:

In broad terms Australia has five alternatives in a more contested Asia. We can remain allied to America, seek another great and powerful friend, opt for armed neutrality, build a regional alliance with our Southeast Asian neighbours, or do nothing and hope for the best.²

He considers all in turn. For White supporting the US Alliance unconditionally to him presents the danger of being drawn into a large-scale conflagration with China, which Washington is not assured to win.³ He also rejects the arguments for Swiss-style neutrality and for bandwagoning with a potential Chinese hegemon. Instead, he argues that

the best outcome for Australia would be for America to relinquish primacy and share power with China and the other major powers in a Concert of Asia.⁴

Thus, the major challenge for Australian decision-makers is to convince American leaders of renouncing primacy in the Asia-Pacific and to share power with Beijing.

White's essay has sparked a critical debate within the Australian strategic community.⁵ Tellingly, however, no commentator seemed to contest the basic premises of the debate, namely that Australia's strategic environment is rapidly evolving; that tough choices will need to be made; and that great power conflict in the Asia-Pacific is no longer unthinkable. White's thesis on the rise of China and the *relative* decline of US power in Asia raises two difficult questions for Canberra. Which decisions is Australia capable of exercising in order to manage and, if possible, prevent the likely great power frictions of such a momentous power shift? And, if the first option fails, is there a Plan B?

² See *ibid.*, p. 60.

³ *Ibid.*, pp. 60-1.

⁴ *Ibid.*, p. 55.

⁵ See 'Debate: Hugh White's Quarterly Essay', *The Interpreter*, <<http://www.lowyinterpreter.org/?d=D%20-%20Hugh%20White%27s%20Quarterly%20Essay>> [Accessed 16 October 2010].

In essence, these questions call upon different but complementary tools of Australian statecraft—diplomatic and military capabilities respectively. In the tradition of structural realism, *Power Shift* stresses the predominance of traditional or ‘hard’ forms of power: economic relativities, military capabilities, population base, etc. White suggests that increased defence spending, if the risks warranted it, could improve Australia’s relative power in a conflicted Asia-Pacific.⁶ He also convincingly points out that Australia’s military capabilities “all come down to money in the end.”⁷ But whether enhanced military capabilities alone will suffice to buy long-lasting peace is another question altogether. In fact, taking the diplomatic capabilities of states into consideration provides a very different vision of Australia’s potential responses to an increasingly contested Asia-Pacific security order. This requires a re-conceptualisation of power away from White’s geopolitically-informed assumptions.

Paradigm Shift: On Power, War and Diplomacy

The most potent critique of White’s *Power Shift* is that the logic behind his scenarios depicted follows a systemic, or “mechanistic” law of power relations.⁸ *Realpolitik* is the foundation of strategy. Yet, we can define national strategy in wider terms than by relying on a realist definition of hard power alone. It is precisely White’s geopolitical assumptions which narrow the scope of his policy recommendations to a choice of “Euclidean clarity” for the United States: withdraw from Asia; compete with China and risk war; or share power with China in a Concert of Asia.⁹ Portrayed in such stark terms, it is evident that Washington and Canberra ought to prefer the third option, no matter how unsavoury in the short term. But White’s trichotomy of strategic choices descends from his particular assumptions about the nature of power in the international system. An alternative definition of international power which synthesises traditional notions of ‘hard’ power with ‘soft’ variants takes into consideration the practice and possibilities of diplomacy and conflict-management in Asia-Pacific security, and consequently yields a wider menu of policy options for Australia.

What is power? As some commentators have noted, the conception of power underpinning *Power Shift* is a narrow one.¹⁰ A comprehensive definition of national power must not only include basic geopolitical indicators—military capabilities, Gross Domestic Product (GDP), population

⁶ White, *Power Shift*, p.70.

⁷ Ibid.

⁸ See Sam Roggeveen, ‘Power Shift: The limits of realism’, *The Interpreter*, 27 September 2010, <<http://www.lowyinterpreter.org/post/2010/09/27/Response-to-Hugh.aspx>> [Accessed 17 October 2010].

⁹ White, *Power Shift*, p. 41.

¹⁰ Stephan Frühling and Benjamin Schreer, ‘Hugh White and the “Hyperpuissance”’, *The Interpreter*, 15 September 2010, <<http://www.lowyinterpreter.org/post/2010/09/15/Hugh-White-and-the-hyperpuissance.aspx>> [Accessed 17 October 2010].

base, and geographic features—but also its softer incarnations, which include quality of diplomacy, cultural attraction and educational standards among other factors. Soft power is the ability of one state to influence the choices and self-perceived interests of other states by means of attraction, or co-option.¹¹ Diplomacy may fall under the purview of soft or hard power, depending on the context, but it has historically been an essential instrument of national power.

Hence, diplomacy is more convincingly conceived of as one manifestation of power, rather than an antidote to it. As Jakub Grygiel has argued, those expecting diplomacy to become an *alternative* to the exercise of power, rather than its *complement*, have always been disappointed.¹² This fallacy was also pointed out by Martin Wight, who noted that “the notion that diplomacy can eradicate the causes of war was part of the great illusion after 1919.”¹³ Equally illusory, according to Wight, was the inter-war argument related to realism that inter-state conflict resulted from inevitable forces over which mankind exercised little to no control, whether human nature, social determinism or the omnipresent balance of power.¹⁴ A more modest claim, which also underpins this analysis, is that diplomacy is “the master institution of international relations.”¹⁵ Even if diplomacy cannot cure the plague of war, it can and does bolster the international system’s immunity against it.

But is not war inevitable, the result of inexorable shifts in the global balance of power? In its most naked form, geopolitical determinism would answer in the affirmative to both. Although the object is in no way to indict White of this extreme view, this question nevertheless goes to the heart of the author’s argument, because it inquires into the premises upon which the *Power Shift* thesis rests. It is worth briefly exploring core geopolitical assumptions to gauge White’s arguments against. Geopolitical analysis, according to one of its most influential contemporary advocates, basically assumes that:¹⁶

- underneath the “disorder of history” there is an order or logic made up of long-term trends, and it is both rational and feasible to understand and predict the future based on these trends;
- this order acts almost independently of human volition and agency, being shaped by the “invisible hand” of the international system’s logic;

¹¹ See Joseph S. Nye, Jr, ‘Soft Power’, *Foreign Affairs*, no. 80, Twentieth Anniversary (Autumn 1990), p. 168.

¹² Jakub Grygiel, ‘The Diplomacy Fallacy’, *The American Interest*, Summer May/June 2008, pp. 26-35.

¹³ Martin Wight, *Power Politics*, edited by Hedley Bull and Carsten Holbbaad (Middlesex, England: Leicester University Press, 1979), p. 137.

¹⁴ *Ibid.*, p. 136.

¹⁵ *Ibid.*, p. 113.

¹⁶ The following points are made by George Friedman, *The Next 100 Years: A Forecast for the Twenty-First Century* (New York: Black Inc., 2009), pp. xiii, 10-12, 49.

- international actors are rational, and identify and pursue their own perceived self-interests;
- individual leaders, politicians and heads of state do not matter greatly to the flow of history because, like chess-players, they are “not free to break the very rigid rules of their professions”;
- the character of nations and, hence, their conduct of international relations are largely “determined” by geography;
- power derives from the fundamental realities of geography, demographics, technology and culture; and
- the anarchical and zero-sum nature of the international system means that war is ubiquitous.

As George Friedman eloquently put it, the geopolitical view of history:

has nothing to do with leaders or policies. There is no New World Order, only the old one replaying itself in infinitely varying detail, like a kaleidoscope.¹⁷

For the sake of brevity, it is not necessary to address the problematic nature of many of these claims. Rather, the point is that White's *Power Shift* seems to share several of the assumptions common to structural realism and geopolitics just outlined. To be sure, he rejects the idea that a Sino-American war is inevitable.¹⁸ Yet, the underpinning geopolitical assumptions of his thesis boil down the potential American responses to China's rise to one of three simple decisions: cut and chase, fight, or share power. This is a false trichotomy. Australia and the United States can and do pursue more complex, multi-faceted policies towards the People's Republic of China, which include elements of hedging, contestation and cooperation.¹⁹

The problem with White's stark strategic choice is that international relations cannot be assumed to follow the same logic as Euclidian mathematics. In the end, great powers are still collections of human beings, no greater than the sum of their parts. Hence, even current global power shifts still follow the lawlessness of human relations rather than the physical laws of the natural sciences. Great power relations are neither geometric nor linear. This counter-argument to White's geopolitical assumptions regarding the order, trends, and logic which allegedly underpin international affairs has important

¹⁷ See George Friedman, 'Geopolitical Journey, Part 1: The Traveler', *STRATFOR*, <http://www.stratfor.com/analysis/20101108_geopolitical_journey_part_1_traveler> [Accessed 14 November 2010].

¹⁸ White, *Power Shift*, p. 46.

¹⁹ For then-Prime Minister Rudd, Australia's aims include attempting to integrate China peacefully into the regional order, whilst continuing to hedge and even consider the potential use of force against a revisionist China in a worst-case scenario. For US Secretary of State Hillary Clinton, however, the question is: "How do you deal toughly with your banker?" Daniel Flitton, 'Rudd the butt of WikiLeaks exposé', *The Sydney Morning Herald*, 6 December 2010, <<http://www.smh.com.au/technology/security/rudd-the-butt-of-wikileaks-expos-20101205-18lf2.html>> [Accessed 27 January 2011].

repercussions for the consideration of the role played by diplomacy in securing a peaceful Asia-Pacific order.

If the material base of power alone does not dictate international relations, and occurrences of war and peace, then what does? It is arguably a combination of material constraints and free choice which result in war. Indeed, the academic literature on power transition theory is at odds over the basic questions of whether great power shifts themselves cause great power wars, and whether such a power shift is actually occurring between the United States and China at all.²⁰ But there is a middle ground between geopolitical determinism and idealistic theories of diplomacy. This article proceeds from three basic assumptions. Firstly, although governments are constrained in their actions by their relative power position, including demographic and geographical determinants they still possess a degree of relative free movement within the bounds of those external constraints.²¹ Secondly, specific historical actors and specific policies *do* matter and directly influence matters of war and peace.²² Ultimately, irrespective of historical trends and constraints, it is not the grand sweep of history which triggers conflict, but the leader who gives the order, the ambassador who severs communication in times of crisis, and the general who presses the button.²³ War is a strategic choice.

Thirdly, there is nothing inevitable about war. Inter-state conflict is arguably less the product of the invisible, inexorable and immutable structure of the international system and the forces underpinning it, than the product of human volition. Although conflicts of interest may be a fixed reality in international life, their outlet in the specific form of organised violence is not predicated by any force over which humans possess no control.²⁴ Even in the historical context of Europe in 1914, the assassination of Archduke Franz

²⁰ See Woosang Kim and James D. Morrow, 'When Do Power Shifts Lead to War?', *American Journal of Political Science*, vol. 36, no. 4 (November 1992), pp. 918-9; Dong Sun Lee, 'Committing Suicide for Fear of Death: Power Shifts and Preventive War', *Working Papers* (Washington: East-West Center, 2006), p. 30; Dong Sun Lee, *Declining States and International Conflict* (Oxon and New York: Routledge, 2008), p. 129; Avery Goldstein, 'Power Transitions, Institutions and China's Rise in East Asia', in G. John Ikenberry and Chung-in Moon (eds), *The United States and Northeast Asia: Debates, Issues and New Order* (Plymouth, United Kingdom: Rowman & Littlefield Publishers, Inc., 2008), p. 63; Steve Chan, *China, the US, and the Power-Transition Theory: A Critique* (Oxon and New York: Taylor & Francis, 2008), p. 3.

²¹ For an example see Malcolm Cook, Raoul Heinrichs, Rory Medcalf and Andrew Shearer, *Power and Choice: Asian Security Futures* (Sydney: Lowy Institute for International Policy, 2010), p. 11.

²² See Valerie Hudson, *Foreign Policy Analysis: Classic and Contemporary Theory* (Lanham, United States: Rowman & Littlefield Publishers, Inc., 2007), p. 9.

²³ For a discussion of the historiographical problems of studying leaders' decisions, especially the risk of falling into the 'great man' view of history, see E. H. Carr, *What is History? The George Macaulay Trevelyan Lectures Delivered in the University of Cambridge January-March 1961* (2nd edn R. W. Davies) (London: Penguin Books, 1990), p. 55.

²⁴ See John R. Swanton, *Are Wars Inevitable?* (Washington, DC: The Smithsonian Institute, 1943), pp. 32-3.

Ferdinand did not automatically trigger war. Despite the explosive context and the major external constraints on crisis decision-making, “war was not inevitable; the leaders of Europe still had options.”²⁵ This implies that the practice of preventive diplomacy can and frequently has averted the escalation of conflicts of interest into generalised war.²⁶ These theoretical premises are at odds with the ancient Roman maxim *si vis pacem, para bellum*, which—presuming diplomacy to be a tool of deceit and a cover for military build-ups—advised that those hoping for peace ought to prepare for war. “A wiser rule”, as William Sumner wrote in 1911 of the balance of power and arms races in Europe,

would be to make up your mind soberly what you want, peace or war, and then to get ready for what you want; for what we prepare for is what we shall get.²⁷

Why Diplomacy Matters

What are the implications of these assumptions for Australia’s potentially contested future between Beijing and Washington? The fundamental point is that diplomacy matters. In the contemporary strategic debate about China’s rise, it is more fashionable to discuss military and grand strategy rather than diplomacy. But the latter is as important an instrument of national strategy as is traditional military power. Successful foreign policy does not derive from either hard or soft power, “but by their effective combination.”²⁸ For example, it is a truism that diplomacy works best if it is backed by a credible threat of the use of force. Nevertheless, a policy which assumes that Australia would be safer by simply beefing up its military defence capabilities would be dangerously one-sided. It fails to appreciate that future Australian military build-ups, no matter how defensive and (from Australia’s point of view) benign may only help to destabilise regional peace dynamics. The danger therein is that an overly pessimistic Australian worldview, especially if it came to be shared by the region’s major powers, would become a self-fulfilling prophecy.

The realist argument about the pernicious logic of security dilemmas is that foreign leaders cannot get inside the heads of Australian decision-makers to read unambiguous intentions from strategic posture alone.²⁹ If, as White

²⁵ Marijke Breuning, *Foreign Policy Analysis: A Comparative Introduction* (New York: Palgrave Macmillan, 2007), p. 14.

²⁶ See William Zartman, ‘Preventive Diplomacy: Setting the Stage’, in I William Zartman (ed.), *Preventive Negotiation: Avoiding Conflict Escalation* (Lanham, Maryland: Rowman and Littlefield Publishers, Inc., 2001), p. 1.

²⁷ William Graham Sumner, *War and Other Essays* (New Haven, Conn: Yale University Press, 1911).

²⁸ Joseph Nye, ‘When Hard Power Undermines Soft Power’, *New Perspectives Quarterly*, vol. 21, no. 3 (Summer 2004), p. 15.

²⁹ Dale C. Copeland, ‘The Constructivist Challenge to Structural Realism: A Review Essay’, in Stefan Guzzini and Anna Leander (eds), *Constructivism and International Relations: Alexander Wendt and his Critics*, (London and New York: Routledge, 2006), p. 20.

suggests, building up a redoubtable military arsenal by 2040 is a sound policy—whether for defence self-reliance in a post-American Asia, or to become the ‘Switzerland’ of the Pacific—then how might this affect Australia’s position in Asia? Should Australia consider developing anti-ballistic missile defence capabilities or even breaking out to nuclear-armed status in order to deter the Asian “giants” of the future?³⁰ Could Canberra be certain that its defensive build-up would not be mistaken for a sign of belligerence, either by such important neighbours as Indonesia or China itself? Would Australia not be making regional war more likely? Ironically, even a defensive military build-up (or internal balancing) aimed at putting Australia in a position of armed neutrality could ultimately increase the risk of a revamped Australian Defence Force (ADF) being put to the test in battle.

Obviously, Australia’s security must be based on the firm knowledge that the ADF is capable of defending the country from external attack, or denying hostile powers access to Australia’s naval approaches. Yet, *Power Shift* depicts a world in which diplomatic relations count for little, or are completely subsumed by military-strategic calculations. This critique should not be understood to mean that White’s recommendations in *Power Shift* are inherently militaristic or conflict-prone. To the contrary, White first and foremost advocates negotiation with China rather than strategic competition and war.³¹ Nevertheless, the point is that realism as a theory of international relations—and as a guiding philosophy of defence planning—makes little room for the more positive-sum potential of integrated diplomatic negotiations. At the very least, structural realism is inherently limited by its reductionism and zero-sum perspective. At worst, “realism is taught and analyzed as a form of structural determinism, leaving no room to explain ways of getting out of its grasp and of managing conflict.”³² This means that a structural realist perspective of China’s rise cannot do justice to the potentially ‘negative’ role preventive diplomacy can play in preventing war. Neither can structural realism account for the ‘positive’ role diplomacy can play in building functioning regional security institutions, strengthening norms of cooperation, and building a peaceful regional order. Diplomacy could and should be Australia’s most formidable instrument in dealing with the dramatic changes in the Asia-Pacific order.

³⁰ For an argument to that effect, presented tacitly by Ross Babbage and explicitly by Peter Coates, see Ross Babbage, ‘Learning to Walk Among Giants: The New Defence White Paper’, *Security Challenges*, vol. 4, no. 1 (Autumn 2008), pp. 13-20; and Peter Coates, ‘Defence: Should Australia have a Nuclear Defence Capability?’, *News Weekly*, <http://www.newsweekly.com.au/articles/2008jun21_d.html> [Accessed 15 October 2010].

³¹ See White’s debate with Ross Babbage. ‘Crime and Punishment in Defence Policy’, *The Interpreter*, 18 February 2011, <<http://www.lowyinterpreter.org/?d=D%20-%20Ross%20Babbage%20and%20Australia%27s%20strategic%20edge>> [Accessed 24 February 2011].

³² See I. William Zartman, *Negotiation and Conflict Management: Essays on Theory and Practice* (London and New York: Routledge, 2008), p. 3.

An Asian Concert of Power?

White's policy prescription that Australia should encourage the United States to forge a 'Concert of Asia', involving China and other regional powers is also problematic. Australia has a strategic interest in playing a role in defining the Asia-Pacific's future. An exclusionary Asia-Pacific order, in which the fate of an estimated 3.9 billion people would be entrusted to a handful of great power elites, would run against this vital interest. The long-term strategy of any Australian government should be to engage every lever of national power available to prevent such a scenario from happening. In a 'G-2' or 'Chimerican' world order, Australia would see much of its present ability to influence events in the South Pacific, Southeast Asia as well as East Asia diminish. Its current middle power status would be reduced to that of a large piece of land, perpetually afloat in the contradictory currents of great power relations.

Great power concerts can work for quite some time, as long as all parties perceive their interests as being in line. But when they fail they tend to do so spectacularly.³³ In fact, the period of nineteenth century European history which this concert-of-power model is typically benchmarked against, the Concert of Europe of 1815-1914, was not as durable or desirable as White's argument presents it. The Congress of Vienna, which lay at the foundation of this great power concert, was held together by two common interests: a shared concern among despots to contain the destabilising forces of popular revolution, and the need to keep a vanquished France from once more pursuing its hegemonic aims.³⁴ Indeed, the Concert of Europe only really functioned until 1848, when attempted revolutions and growing great power rivalries broke the system, leading to such 'small' wars as the 1854-56 Crimean War and the 1870-71 Franco-Prussian War. The latter led to the proclamation of a united German empire at Versailles. This war set the stage for French revanchism, *Weltpolitik* and the First and Second World Wars.

What does recent European history imply for a twenty-first century Asia-Pacific security order? In sum, even if the Concert of Vienna brought an extended truce to Europe, its political and territorial decrees (such as installing a Bavarian king as the ruler of Greece, and partitioning Africa at the 1881 Berlin Conference) only complicated European great power relations in the long-term. Against this historical backdrop, three questions stand out. Firstly, which glue would bind an Asia-Pacific Concert of Power together? The only conceivable transnational threat which might take the place of nineteenth century revolutionaries is terrorism. But today borderless terrorism is a global, not a regional problem. Even great powers with

³³ See Cook et al., *Power and Choice: Asian Security Futures*, p. 33.

³⁴ See J. M. Roberts, *The Penguin History of Europe* (London: Penguin Books, 1997), pp. 396-405.

contradicting strategic agendas such as Russia and the United States, already cooperate in the fight against terrorism. Hence, there is little hope that the transnational threat of terrorism could justify an Asia-Pacific Concert of Power. Piracy, for all its disruptive potential, is unlikely to fit the bill either. Modern Asia does not resemble the Europe of Bismarck and Metternich.

Secondly, how would an Asian Concert of Power work? As we have seen, the Congress of Vienna was a peace settlement. The European Concert was not solely aimed at suppressing revolution, but also coalesced around the need to restrain the war-making habits of Napoleonic France. This means that Concerts of Power usually require a major stimulus to bring them about. War is often that stimulus.³⁵ As such, a Concert of Asia is extremely unlikely to be considered a viable option by regional decision-makers, *except* in the aftermath of a radical systemic shock. This could come in the form of a major war with a clear-cut victor to impose the peace and a vanquished to be contained, or the internal collapse of a great power. An Asian Concert of Power, as Hugh White noted, is feasible even if it is highly unlikely.³⁶ But, once established, could such a Concert work for long? That is doubtful. If, for example, a post-war settlement imposed limits upon a defeated Chinese power, then who is to say how long an ultra-nationalist Beijing would be willing to accept its position of servitude and humiliation as imposed by a victorious coalition. On the other hand, if the United States took a battering in an armed confrontation with China, or retreated back to Hawaii in the peacetime equivalent of the Soviet Union's collapse, it is even more questionable whether the United States would accept such a period of inferiority for very long. Much like Russia today, the United States would soon resurge, with its sense of manifest destiny only amplified by the vindictiveness of a humiliated power. Either way, Australia would be in trouble.

A final question evoked by the European Concert of Power is the following: Why should twenty-first century Asia actively seek to follow the path charted by the zero-sum, geopolitical calculations of nineteenth century Europe? Elsewhere, White concedes that Australia and Asia "are not Europe".³⁷ Nevertheless, in importing the logic of a historically-contingent incarnation of the geopolitical balance of power to the region—the European Concert of

³⁵ As Amitav Acharya noted, "concerts usually come about after a great power has been defeated in a major war, as the defeat of Napoleon triggered the European Concert at the Congress of Vienna in 1814." See 'Asia-Pacific Security: Community, Concert or What?', *Pacific Forum CSIC PacNet*, 12 March 2010, p. 3.

³⁶ White clearly points out that his argument for a Concert of Asia "is one of prescription, not prediction." See Hugh White, 'Concert of Asia not an idealistic solution', *Lowy Interpreter*, <<http://www.lowyinterpreter.org/post/2010/09/29/Concert-of-Asia-not-an-idealistic-solution.aspx>> [Accessed 14 November 2010].

³⁷ See White, 'Concert of Asia: Community Inaction', *Lowy Interpreter*, 1 October 2010, <<http://www.lowyinterpreter.org/post/2010/10/01/Concert-of-Asia-Community.aspx>> [Accessed 18 November 2010].

Vienna—White is still analogising Asia to Europe. Some scholars have offered a cultural critique of the Euro-centric assumptions implicit in some of the pessimistic realist predictions on the future of Asian security.³⁸ For example, China's rise is frequently compared to that of Imperial Germany, the foreign policy of which was geared towards securing that country's "place in the sun".³⁹

Such an explanation, however, is not appropriate. The case can be made that China's diplomatic assertiveness throughout 2010, and 'bandwagoning' behaviour on the side of the United States by regional states such as Vietnam, may ultimately support the realist balance-of-power argument, rather than Kang's critique that realism is culturally-biased and, by extension, mistaken in its pessimistic outlook for Asia. But this should not detract from the fact that the nineteenth-century Concert of *Europe* is seen by most historians as a tragic experience which arose from the intricate web of inter-European rivalries, rather than a desirable form of global governance.

Similarly, experts have critiqued the "ahistorical" lens of realism, through which any regional and context-specific phenomenon was seen as able to be generalised to other parts of the world.⁴⁰ If this perspective holds true, contemporary Europe offers a better role model for Asian peace and economic development, even if only as an ideal to strive towards. Some scholars agree, arguing that:

the EU can be a very good point of departure, at least conceptually, for the analysis of any probable Asian Community culminating in an Asian regionalism.⁴¹

Indeed, in the past a Vietnamese policy-maker challenged the convention that European Union (EU)-type arrangements were not suitable for the region, specifically proposing that ASEAN open its door to enlarge to the wider region, as well as draw upon the EU's experience in designing the Asia-Pacific Community (APC).⁴² Although the EU was itself historically a child of war-fatigue and the Cold War, if we accept that a European Concert of Power can work in Asia, then so can a positive-sum security order.

³⁸ Kang points to the almost exclusively European experience, influences and historical analogies underpinning much of realist theory, which they use "to project onto and explain Asia". David C. Kang, 'Getting Asia Wrong: The Need for New Analytical Frameworks', *International Security*, vol. 27, no. 4 (Spring 2003), p. 58.

³⁹ See Sebastian Bruck, 'Wilhelmine China?', *Asia Times*, 31 July 2009, <<http://www.atimes.com/atimes/China/KG31Ad03.html>> [Accessed 28 January 2011].

⁴⁰ See M. Alagappa, *Asian Security Order* (Stanford: Stanford University Press, 2003), pp. 7, 11.

⁴¹ Shamsul Khan, 'Towards an Asian Community: Can the EU's Path be Travelled?', *Biennial Conference of the Asian Studies Association of Australia*, 5-8 July 2010, p. 2. See also Fariborz Moshirian, 'Can an Asia Pacific Community, Similar to the European Community, Emerge?', *Journal of Banking & Finance*, vol. 33 (2009), pp. 2-8.

⁴² Pham Thi Loan, Member of the National Assembly of Vietnam, 'The Future of an Asia Pacific Community', *The Asia-Pacific Community in the 21st Century*, Sydney, 3-5 December 2009.

As a result, a Concert of Asia is not the most desirable outcome for the future Asia-Pacific security order. It may, according to historical precedents, keep the peace for ten, twenty, perhaps thirty years. However, in the meantime, competition between the main powers would continue, until an armed challenge to the *status quo* by a revisionist power might become tantalisingly attractive to consider. A regional Concert of Power might even be one of the worst possible outcomes for regional security and for Australia. It would probably result in war.⁴³ This conclusion puts into question both the desirability and viability of a Concert of Power in Asia, which neither the United States nor China seem inclined to pursue for ideological as well as political reasons.⁴⁴ Other regional players are also likely to oppose this option, which may only make conflict more likely. There are much more appealing alternatives for Australian foreign policy, which are rooted in the cooperative and positive-sum logic of diplomacy and reason of system, rather than the zero-sum world of geopolitics and *raison d'état*.

Australia's Diplomatic Choices

The following section develops five policy recommendations which could shape Australia's diplomatic strategy towards the challenges of the Asia-Pacific Century. This paper does not exclude the potential use of armed force to serve Australia's long term interests. Yet, it recommends a synergy of civilian-military efforts to help secure Australia in a potentially more turbulent future. Canberra should not only resource its military capabilities for the risks of the future, but equally its diplomatic infrastructure. This presupposes that Australian diplomacy, in its resource allocation and role at the heart of national security strategy, be placed on a par with that of the military. Hence, this paper proposes a broadening of the debate from a focus on systemic issues—such as the rise of China, and the relative stagnation of US power—to one about specific policy and, especially, diplomatic strategies in response to these dynamics.

SKIN AND BONES: PUTTING THE FAT BACK IN DFAT

Australian diplomacy is notoriously under-resourced. The bipartisan funding cuts to the Department of Foreign Affairs and Trade (DFAT) budget are a well-documented fact.⁴⁵ Diplomatic missions abroad are withering, under-

⁴³ As Wight pointed out, balances of power do not always cause war, and it is never "remembered how often the balance of power has averted war." Nevertheless, a balance of power represents an inherently zero-sum and conflict-prone approach to international affairs which, if accepted as a long-term goal of Australian foreign policy in the Asia-Pacific, would only serve to replicate the conflicting dynamics of centuries past. The balance of power is a political choice, not an inevitable product of nature. Wight, *Power Politics*, p. 184.

⁴⁴ See Geoffrey Garrett, 'US Looks to New Dawn in the East', *The Australian*, 18 November 2010, p. 11; Joseph Nye 'China's Re-emergence and the Future of the Asia-Pacific', *Survival*, vol. 39, no. 4 (1997), p. 75.

⁴⁵ See Rowan Callick, 'Dysfunctional Diplomacy', *The Australian*, 15 January 2010, p. 9; Alex Oliver and Andrew Shearer, 'Diplomacy in Ruins', *The Australian*, 27 March 2010, p. 4; Phillip

staffed, and over-worked. The reality is a far cry from the popular perception of pin-striped diplomats sipping gins in the UN lobby at the cost of taxpayer money.⁴⁶ In fact, DFAT has been reduced to skin and bones over the last decade or more. It is missing the meat and muscle which all functioning instruments of foreign policy require: money, human capital and representations abroad. This trend has engendered ominous consequences. According to some observers this neglect of diplomacy has implied that "foreign policy has become increasingly militarized and states have continued to rely on armed force as the instrument of choice."⁴⁷

The Australian Government should reassess the current imbalance in federal funding, which allocates thirty-six times more to defence than it does to diplomacy.⁴⁸ A ratio of 1:30 would go far towards recreating an Australian diplomatic service worthy of the middle power label. Australia's diplomatic deficit has been addressed elsewhere in great detail.⁴⁹ Suffice is to say that without a properly-funded and equipped diplomatic machine, Australia will be in an even less favourable position to influence, instead of simply reacting to, dramatic changes and crises to come in the Asia-Pacific.

KEEP IN TOUCH: CRISIS MANAGEMENT AND COMMUNICATION

Miscommunication causes wars. True, not all wars result from a lack of timely channels of inter-state communication. Some wars are simply planned and willed by one or both parties.⁵⁰ Nevertheless, historically-speaking miscommunication has usually increased the chances of inter-state war breaking out during periods of heightened tension.⁵¹ Cultural differences can also interfere in the process of diplomatic communication and negotiation.⁵²

What does this signify for a region of over fifty countries, encompassing a multitude of different languages, peoples and strategic cultures? It suggests that effective means of crisis communication are imperative to avoiding

Coorey, 'Budget Axe Set to Swing on Rudd's Department', *The Sydney Morning Herald*, 3 November 2010, p. 1.

⁴⁶ Rowan Callick, 'Price of Diplomacy Is Worth Paying', *The Australian*, 20 August 2010, <<http://www.theaustralian.com.au/news/world/price-of-diplomacy-is-worth-paying/story-e6frg6ux-1225907444364>> [Accessed 17 October 2010].

⁴⁷ Daryl Copeland, 'The Difference Between War and Diplomacy', *Embassy*, 6 October 2010, p. 7.

⁴⁸ Callick, 'Price of Diplomacy Is Worth Paying'.

⁴⁹ See in particular Lowy Institute for International Policy, *Australia's Diplomatic Deficit: Reinvesting in Our Instruments of International Policy*, Blue Ribbon Panel Report, March 2009.

⁵⁰ See Roy Allison, 'Russia Resurgent? Moscow's Campaign to "Coerce Georgia to Peace"', *International Affairs*, vol. 84, no. 6 (2008), p. 1149.

⁵¹ See Peter Suedfeld and Philip Tetlock, 'Integrative Complexity of Communications in International Crises', *The Journal of Conflict Resolution*, vol. 21, no. 1 (March 1977), pp. 169-84.

⁵² Raymond Cohen, *Negotiating Across Cultures: International Communication in an Interdependent World* (Washington, DC: United States Institute of Peace, 2002), pp. 7-8.

miscalculations, and the risk of large-scale war in Asia. But regional communication mechanisms remain haphazard and prone to disruption during occasional periods of tensions, as was highlighted when China severed ties with Japan during their September 2010 naval spat.⁵³ Whilst severing diplomatic relations is a legitimate tool of sovereign states, it is often a counter-productive and even dangerous one.⁵⁴ When former Prime Minister Kevin Rudd expounded his idea for an APC he emphasised that during crises “the first 24, 48 or 72 hours are critical.”⁵⁵ Although Rudd’s remark specifically referred to natural disasters and transnational threats, the subtext clearly concerned inter-state crises as well.

The first strategic priority of a strengthened DFAT should thus be to improve the state of Asia-Pacific crisis communications. Australia can take the lead to address this weakness, preferably in conjunction with major partners such as Indonesia, Singapore, Japan and South Korea. One possible long-term option for Australia is to propose that any future APC-like organisation, or a revised institution revolving around ASEAN, bind the parties to engage in mini-lateral crisis communication at the level of head-of-state or foreign minister via instantaneous video-conferencing. This could feasibly involve the two or more conflicting parties being compelled, by the legal force of a treaty or other binding document, to maintain open channels of communication in periods of heightened tension. Although the technology for such mechanisms currently exists, the political will may not yet. States used to the ASEAN style of consensual and non-confrontational decision-making, as well as minimal institutionalisation, may initially shirk at this proposal.⁵⁶ But a creative Australian public diplomacy campaign could be used to convince the sceptics that dialogue is even more important during conflicts than when everything is running smoothly. In the short-term, Australia could draft a proposal for a committee of the ASEAN Regional Forum, or even a grouping of regional think tanks, to study the viability of preventive diplomatic tools focusing on crisis communication.⁵⁷ The findings

⁵³ See ‘Japan Urges Calm after China Severs Contacts’, *CBS News*, 20 September 2010, <<http://www.cbsnews.com/stories/2010/09/20/world/main6883944.shtml>> [Accessed 15 October 2010].

⁵⁴ For an explanation of the difference between severing and breaching diplomatic relations, the latter being a more fundamental sanction, see G. R. Berridge and Alan James, *A Dictionary of Diplomacy*, second edition (New York: Palgrave Macmillan, 2003), p. 81. See also Chas W. Freeman, *Arts of Power: Statecraft and Diplomacy* (Washington, DC: United States Institute for Peace Studies, 1997), p. 96.

⁵⁵ See the 29th Singapore Lecture by The Honourable Kevin Rudd MP, Prime Minister of Australia, *Building on ASEAN’s Success—Towards an Asia Pacific Community*, 12 August 2008, <www.iseas.edu.sg/29thsl.pdf> [Accessed 17 October 2010].

⁵⁶ See Yukiko Nishikawa, ‘The “ASEAN Way” and Asian Regional Security’, *Politics and Society*, vol. 35, no. 1 (March 2007), pp. 42-56; see also Charles Kupchan, *How Enemies Become Friends: The Sources of Stable Peace* (Princeton, New Jersey: Princeton University Press, 2010), p. 399

⁵⁷ Recent DFAT budgets have featured investment in “enhanced crisis coordination facilities”, although the exact scope (whether international or national) and scale of this project remain unclear. See DFAT, *Agency Resources and Planned Performance*, 2009/2010, p. 18.

of a regional study group could be published within twelve months of its commissioning, and these crisis mechanisms could be negotiated by 2013. It is not advisable to wait until the 2020s for competing regional security architectures to work themselves out.

KEEP YOUR FRIENDS CLOSE: MILITARY DIPLOMACY

Secondly, as a complement to civilian crisis communications Australia should lobby for increasing levels of intra-regional military diplomacy.⁵⁸ Australia can take a lead role in facilitating more ambitious joint Asia-Pacific military diplomacy, potentially modelling these operations on NATO's (North Atlantic Treaty Organisation) Partnership for Peace (PfP) exercises.⁵⁹ According to some media reports, Australia is mulling whether to accept a US military installation at Darwin.⁶⁰ The school of thought in favour of this policy is gaining ground.⁶¹ If Australia accepted American troops in Darwin and elsewhere, this could fan Sino-America military tensions because of the proximity (650km) between Darwin and a potential Chinese base in Betano, East Timor. Although this may not become the 'Fulda Gap' of the Pacific, such a policy would not be without the serious risk of strategic miscalculation by either of the great powers.

A better solution for Australia is to propose hosting a multi-national military training centre there, which could assemble Chinese, American, Japanese, Indian, Pakistani, Afghan, South Korean, Indonesian and other armed units in order to collaborate on common security challenges. This would also benefit Australia's international image as a bridge of dialogue and cooperation between Washington, Beijing and other regional powers. If Canberra accepts a US base at Darwin, then it should at least negotiate observer mechanisms and exchange programmes with China, ASEAN, and any other interested parties to avoid stoking regional misperceptions.

SEEK GLOBAL PARTNERS: NATO AND THE SHANGHAI COOPERATION ORGANISATION (SCO)

Australia has a strong and deepening partnership with NATO.⁶² This cooperation has been further enhanced by Australia's role as the largest non-NATO troop contributing nation to the International Security Assistance

⁵⁸ See for example, 'Chinese Navy Ships Receive Warm Welcome in Sydney', *People's Daily Online*, 20 September 2010, <<http://english.peopledaily.com.cn/90001/90776/90883/7146263.html>> [Accessed 24 October 2010].

⁵⁹ See North Atlantic Treaty Organisation (NATO), *The Partnership for Peace*, <http://www.nato.int/cps/en/natolive/topics_50349.htm> [Accessed 18 October 2010].

⁶⁰ See Greg Sheridan, 'Why World's Most Powerful Military Man Matters to You', *The Australian*, 9 October 2010, <<http://www.theaustralian.com.au/news/world/why-worlds-most-powerful-military-man-matters-to-you/story-e6frg6ux-1225936166873>> [Accessed 15 October 2010].

⁶¹ See Ross Babbage, *Australia's Strategic Edge in 2030*, Kokoda Paper No. 15, February 2011.

⁶² See Rod Lyon, 'NATO, Australia and the Future Partnership', *Australian Strategic Policy Institute*, 14 April 2008; NATO, *NATO Cooperation with Australia*, 9 March 2009, <http://www.nato.int/issues/nato_australia/index.html> [Accessed 10 October 2010].

Force (ISAF) in Afghanistan, as well as Prime Minister Julia Gillard's promise of an even closer NATO-Australia partnership during a recent Asia-Europe Meeting (ASEM).⁶³ Indeed, Australia is currently "enjoying an unusually high profile at NATO headquarters in Brussels", which suggests that the moment is ripe for an Australian initiative.⁶⁴ In November 2010, NATO released its new Strategic Concept, which tacitly announced the Alliance's intention of reaching out to such rising Asian powers as India and China.⁶⁵ This presents a good opportunity for Australia. There exists scepticism about the prospect of a much deeper NATO-Australian partnership.⁶⁶ But the rise of China and India arguably do imply "meaningful and deeply shared strategic interests" between NATO and Australia—namely the continuation of a peaceful Asia-Pacific security order, and the reliability of American security guarantees in Asia as in Europe, the undermining of which by any revisionist power could have negative consequences in other parts of the world.

Canberra should offer a bolder commitment to strengthening NATO's role in the Asia-Pacific. This policy should certainly be handled with the most tactful diplomacy, due to the cultural sensitivity of what could be portrayed as Australia calling for help from the United States and former European colonial powers. As such, Australia should steer clear from any Manichean political rhetoric about being allies "for war and peace", and opaque references to "our enemies".⁶⁷ Instead, an Australian invitation for any strategic advisory role for NATO should be couched in the neutral vocabulary of preventive diplomacy and conflict management. A stronger NATO role in the Pacific would offer Australia tangible security benefits: including earning an experienced organisation's advice on cultivating peaceful ties in a potentially contested part of the world, as Eastern Europe was in 1989,⁶⁸ as well as the negative lessons learned of how *not* to alienate

⁶³ Paola Totaro, 'NATO Leader Praises Australian Contribution to Afghan "Progress"', *Sydney Morning Herald*, 5 October 2010, <<http://www.smh.com.au/world/nato-leader-praises-australian-contribution-to-afghan-progress-20101004-164e4.html>> [Accessed 10 October 2010].

⁶⁴ According to Cameron Stewart, 'NATO Tackles Afghan Handover', *The Australian*, 10 March 2011, p. 9.

⁶⁵ See clauses 28-30 of 'Strategic Concept for The Defence and Security of The Members of the North Atlantic Treaty Organization', Adopted by Heads of State and Government in Lisbon, *Active Engagement, Modern Defence*.

⁶⁶ See Stephan Frühling and Benjamin Schreer, 'Australia and NATO: A Deeper Relationship?', *The Interpreter*, 11 October 2010, <<http://www.lowyinterpreter.org/post/2010/10/11/Australia-and-NATO-A-deepening-relationship.aspx>> [Accessed 12 October 2010]. For a lengthier exposition of their views, see Stephan Frühling and Benjamin Schreer, 'Australia's Last Priority: Lessons for the Future of NATO's Global Partnerships', *Global Issues*, November/December 2009, pp. 46-50.

⁶⁷ See Julia Gillard's speech to Congress, in *Sydney Morning Herald*, 10 March 2011, <<http://www.smh.com.au/world/julia-gillards-speech-to-congress-20110310-1boee.html>> [Accessed 11 March 2011].

⁶⁸ For an argument that NATO enlargement contributed to pacifying potential Eastern European security dilemmas, after 1989, see Andrew E. Michta, 'NATO Enlargement post-1989: Successful Adaptation or Decline?', *Contemporary European History*, vol. 18, no. 3 (2009), p. 363-76.

a neighbouring great power, particularly in the event of major political unrest or internal collapse in China.⁶⁹ NATO could also share information regarding how to handle the region's overlapping security interests, and avoid the re-emergence of spheres-of-influence politics in strategic grey zones, a common experience between Europe's Black Sea Region and ASEAN.⁷⁰ Australia's military deterrent could also be bolstered by cultivating closer ties with NATO, particularly in the realm of cyber defence, anti-missile technology, and submarine capabilities.⁷¹ Asia is no longer a strategic backwater for the North Atlantic Alliance; it is its current and potentially future centre of 'out of area' operations.

As some have noted, if "NATO becomes an important forum for strategic exchange between China, Indonesia or India with the US and its European allies Australia will want a seat at the table."⁷² But Australia will have to earn that seat. A NATO-SCO strategic dialogue could well become this table. A security relationship between NATO and the SCO as a direct diplomatic link between Europe and Asia could lead both organisations to "shake hands over the Pacific".⁷³ If and when this occurs, Australia will probably not be represented in the room. A potential 'observer' status in any NATO-SCO cooperative framework would probably be unjustified and over-ambitious.⁷⁴ Unjustified because only prospective members have attained observer status in the SCO. Over-ambitious because the political-diplomatic capital needed to achieve such a privileged status would arguably outweigh the benefits. A more modest goal is for Australia to seek guest status in the SCO—alongside Afghanistan and ASEAN. Regarding the SCO, Lee argues that a "clear Australian posture is required towards this group", one of "constructive engagement aimed at integrating the SCO into the wider international system."⁷⁵

A successful NATO-SCO partnership is undoubtedly in the Australian national interest, for at least three reasons. Firstly, Afghanistan is an area of shared interest for potential NATO-SCO cooperation, which is one of the

⁶⁹ See Mary Elise Sarotte, 'Perpetuating US Preeminence: The 1990 Deals to "Bribe the Soviets Out" and Move NATO In', in *International Security*, vol. 35, no. 1 (Summer 2010), pp. 110-37.

⁷⁰ See Oksana Antonenko, 'Towards a Comprehensive Regional Security Framework in the Black Sea Region after the Russia-Georgia War', *Southeast European and Black Sea Studies*, vol. 9, no. 3 (2009), p. 268.

⁷¹ See Cameron Stewart, 'Push to Axe Collins Subs now, Buy European', 7 October 2010, *The Australian*, <<http://www.theaustralian.com.au/national-affairs/push-to-axe-collins-subs-now-buy-european/story-fn59niix-1225935119752>> [Accessed 18 November 2010].

⁷² Frühling and Schreer, 'Australia and NATO: A Deeper Relationship?'

⁷³ EURISC Foundation, 'NATO-SCO: Shaking Hands over the Pacific?', <<http://www.eurisc.org/publications/euriscomments/153-nato-sco-shaking-hands-over-the-pacific.html>> [Accessed 28 April 2010].

⁷⁴ See John Lee, 'The Shanghai Cooperation Organisation: An Australian Response', *Australian Strategic Policy Institute*, 6 March 2008, p. 7.

⁷⁵ Lee, 'The Shanghai Cooperation Organisation', p. 1.

keys to forging a broader international commitment to rebuilding Afghanistan.⁷⁶ Secondly, a NATO-SCO relationship would allow observer-state (and prospective member) Iran to come into direct negotiations with NATO over its security and foreign policies. This may allow an official channel of US-Iran dialogue to open up, potentially limiting the chances of the Iranian nuclear crisis ending in another Middle Eastern war. Finally, and most importantly for Australia, in the framework of a NATO-SCO partnership a US-China-Russia cooperative agenda over Central Asia “may even facilitate improved security dialogue in the wider Asia-Pacific.”⁷⁷ In sum, Afghanistan—rather than a Spanish War-type proxy conflict—could become the testing grounds of practical cooperation between the regional powers of the Asia-Pacific. Australian foreign policy activism could provide the dividend of earning Australia a set of eyes, and perhaps a voice—even if not a vote—in any framework to emerge between NATO and the SCO. Moreover, by actively encouraging NATO-SCO engagement in Afghanistan, Australia could realistically position itself as a diplomatic “pivot” between Washington and Beijing.⁷⁸

TOWARDS A MORE EFFECTIVE REGIONAL SECURITY INSTITUTION

In its current limited format, ASEAN cannot halt the slide to war in Asia or the Pacific. Rudd’s APC was arguably a sound idea, if a poorly implemented one. But it can arguably still serve a purpose. The APC has an enduring strategic value in that it recognised existing flaws in the Asia-Pacific security architecture, and that it sought to address these issues in a pragmatic way.

In many cases, the APC idea itself was not criticised as much as its implementation, the ambitious rhetoric which surrounded it, and the general presentation of the APC package.⁷⁹ To be fair, the APC was consistently presented with explicit deference to the centrality of ASEAN as the regional security dialogue *par excellence*.⁸⁰ In any case, ASEAN and its regional network of think tanks did not buy it. Critics quickly retaliated in response to a perceived threat to ASEAN’s centrality.⁸¹ Presenting the APC was poorly organised by the Australian Government, which apparently had not held prior discussions with national and international think tanks, opinion-makers and

⁷⁶ See Daryl Morini, ‘A Diplomatic Surge in Afghanistan, 2011-2014’, *Strategic Studies Quarterly* (Winter 2010), pp. 68-100.

⁷⁷ See Matthew Hall, ‘The Shanghai Cooperation Organisation: A Partner for Stabilising Afghanistan?’, in *Shedden Papers*, Centre for Defence and Strategic Studies (CDSS), Australian Defence College, 2009, p. 10.

⁷⁸ *Ibid.*

⁷⁹ See Brendan Nicholson, ‘Asia Pacific Plan “Dead from Outset”’, *The Age*, 4 July 2008, <<http://www.theage.com.au/national/asia-pacific-plan-dead-from-outset-20080703-319p.html>> [Accessed 4 July 2010].

⁸⁰ See Rudd, *Building on ASEAN’s Success—Towards an Asia Pacific Community*.

⁸¹ One Thai professor called the APC a “dangerous concept” for ASEAN. See Dr Pavin Chachavalponpun, 6 January 2009, <<http://www.iseas.edu.sg/viewpoint/pc6jan09.pdf>> [Accessed 15 November 2010].

policy-makers.⁸² In cruel irony, the strategic concern informing Rudd's promotion of the APC was shared by the concept's most ardent critics. ASEAN and ASEAN-affiliated think tanks were primarily concerned that the APC may avail to become a non-inclusive Concert of Power.⁸³ Meanwhile, the Australian Government's initiative was driven by concerns of the potential emergence in Asia of "a security environment dominated by any regional power, or powers, not committed to the same shared goals."⁸⁴

Australian diplomacy should not give up the ambition and strategic vision set out by the APC proposal. The APC initiative was certainly a public relations failure, and a diplomatic loss of face for Australia. But it did not hurt ASEAN's centrality. In fact, it may have strengthened it.⁸⁵ Despite the bitter turf war over Rudd's APC proposal, the regional response was not entirely negative, and has even opened up new avenues of regional security cooperation.⁸⁶ There is little chance that Canberra will launch a second public diplomacy offensive. But it need not do so. The Australian foreign policy establishment should seek to court the close partners it recently offended, most notably Singapore, Malaysia and Japan, but also ASEAN states less hostile to the idea—such as Indonesia, Vietnam and Thailand—to negotiate a Memorandum of Understanding (MOU). Australia could assure these partners that ASEAN-centrality was not under challenge by the APC initiative, and that any ASEAN-centric institution which acquired the robustness and comprehensive security agenda which the APC envisioned, would receive Canberra's full backing. But Australia would insist on the principle of institutional openness. Such an MOU would have an even greater political impact if it underlined that both Australia and ASEAN states were concerned by recent strategic developments in the region, including undeclared arms races, tensions at sea, and the revival of territorial disputes. This initiative need not be accompanied by any public statements until an ASEAN-Australian agreement were concluded.

The convergence of a basic interest of mutually-assured survival ought to provide enough rationale for regional policy-makers to make the right decisions. But leaders are human, and humans are fallible. Hence, there is little reason to believe that contemporary leaders are any more immune from

⁸² See Carl Thayer and Malcolm Cook, 'Reader Riposte: ASEAN and APC', *Lowy Institute*, 15 December 2009, <<http://www.lowyinterpreter.org/post/2009/12/15/Reader-riposte-ASEAN-and-APc.aspx>> [Accessed 15 November 2010].

⁸³ See Simon Tay, 'The Asia Pacific community Proposal: Community, Directorate or Network', *The Asia-Pacific Community in the 21st Century*, Sydney, 3-5 December 2009, pp. 3-5; K. Kesavapany, 'Comments on the Asia-Pacific: A Community for the 21st Century'.

⁸⁴ Australian Government, *Defending Australia in the Asia-Pacific Century: Force 2030* (Canberra: Department of Defence, 2009), p. 43.

⁸⁵ See for example RSIS-MacArthur Conference on Regional Security Cooperation, 'Building Institutional Coherence in Asia's Security Architecture: The Role of ASEAN', Singapore, 19-20 July 2010.

⁸⁶ See the East Asia Forum for a comprehensive discussion, <<http://www.eastasiaforum.org/tag/asia-pacific-community/>> [Accessed 18 November 2010].

the chances of miscalculating, and starting a “stupid war”, than their forebears in 1914 were.⁸⁷ White seems to agree with the severity of current strategic trends for Australia, speaking of a Sarajevo-like character to present tensions in Asia.⁸⁸

But Asia’s future need not be Europe’s past.⁸⁹ Geopolitical trends and other material forces may condition the likelihood of war and peace, but they do not determine it. Through rare feats of diplomacy both “hard power and *fortuna* have sometimes been trumped by free will.”⁹⁰ The point of formalising a more comprehensive and efficient regional security architecture is not out of naïve faith that institutions alone can prevent war. But they can and do help to regulate communication and cooperation among potentially competing states, and allow the setting of a common agenda on shared security concerns. White calls such institutions “multilateral talkfests” and discounts them on the grounds that great powers would rather deal bilaterally than through multilateral fora.⁹¹ But if institutions did not matter to the great powers, how would one explain China’s pursuit (until recently) of a soft-power savvy, imaginative and aggressive diplomatic strategy in charming ASEAN?⁹² Or, for that matter, the Obama administration’s November 2010 Asia-Pacific tour, an equally aggressive reassertion of American power in Asia? Institutions clearly matter in international relations.

Conclusion

As one of the middle-sized countries of the Asia-Pacific, with everything to gain from the *status quo*, and everything to risk from playing nineteenth-century power politics, Australia is not likely to promote a narrow Concert of Power security arrangement in Asia. Instead of lobbying Washington to engage in balance of power politics, Australia can be one of the principal proponents of a regional balance of peace—meaning engaging all instruments of its national power to push for the preventive settlement of foreseeable conflicts of interest between the major powers, especially China and the United States, by diplomatic means and towards peaceful ends. Australia’s overarching strategic objective should be to stall and, if possible, reverse the escalation of inter-state competition in the Asia-Pacific into all-out war.

⁸⁷ Andrew Davies and Mark Thompson, ‘Known Unknowns: Uncertainty about the Future of the Asia-Pacific’, *ASPI*, no. 35 (October 2010), p. 8.

⁸⁸ See Hugh White, ‘Abandon the Alliance?’.

⁸⁹ Regarding this debate, see Aaron L. Friedberg, ‘Will Europe’s Past Be Asia’s Future?’, *Survival*, vol. 42, no. 3 (Autumn 2000), pp. 147-59; John Lee, ‘Europe’s Past Shall Not Be Asia’s Future’, 27 September 2010, <http://english.pravda.ru/opinion/feedback/27-09-2010/115066-china_japan-0/> [Accessed 2 November 2010].

⁹⁰ Walter C. Clemens, *Getting to Yes in Korea* (Boulder and London: Paradigm Publishers, 2010), p. 173.

⁹¹ White, *Power Shift*, p. 50.

⁹² See in particular John Lee, ‘China’s ASEAN Invasion’, *The National Interest*, May/June 2007, pp. 40-6.

The balance of peace is a logic that is more tenuous and contested than that of the balance of power. Yet, in formal diplomatic parlance, such a balance is known as the reason of system, which is defined in distinction to the purely self-interested reason of state. As one former ambassador explained, the reasoning in such a system is to preserve “an international state system that enhances the prospects for the nonviolent resolution of disputes and expanded cooperation among states.”⁹³ Whenever possible, priority is given to the diplomatic tools of non-violent statecraft. Yet, this system does not preclude the use of armed intervention to protect the existing international system from disorder, civil wars, and revolutionary powers.⁹⁴ As a middle-ranking *status quo* power with limited hard power capabilities, Canberra literally cannot afford to conduct Bismarckian *Realpolitik* in twenty-first century Asia. Neither can it allow itself to surrender the conduct of its own foreign policy to external powers. Hence, Australia has a major stake in preserving the current international and regional order, but first and foremost by the diplomatic means at its disposal. In pursuit of its long-term interests, Australia should follow the logic of diplomacy and reason of system.

As Hugh White has demonstrated, systemic trends suggest that a future of great-power war in the Asia Pacific appears increasingly likely. His contribution to the opening of this debate cannot be underestimated; neither can the force of his argument. But systemic trends alone do not determine strategic policy and diplomatic choices. War and peace is often less the result of a perceived balance of power, or leaders' decisions in response to it. History can also come down to luck, or lack thereof. In international affairs, the destructive influence of chance does not imply that states exercise no control over their fate. Like a physical ailment, in its beginning a strategic challenge is:

easy to cure, but hard to recognise; whereas, after a time, not having been detected and treated at the first, it becomes easy to recognise but impossible to cure.⁹⁵

Although the challenges of the future are uncertain they are not all unknown.⁹⁶ The Australian Government must strive to put all possible chances and resources on its own side, in order to be on right side of *Fortuna*. Australia should re-invigorate its diplomatic imagination and capabilities to defend its national and, ultimately, global interests in the Asian Century. Above all, however, a forward-looking Australian diplomatic strategy should be based on what the Obama administration has coined 'smart' power, namely the right combination of hard and soft power. This

⁹³ See Freeman, *Arts of Power*, p. 138.

⁹⁴ *Ibid.*, pp. 55, 138-9.

⁹⁵ Niccolò Machiavelli, *The Prince* (New York: Dover Publications, Inc., 1992), p. 5.

⁹⁶ For a tacit critique of White's predictions, and an explicit critique of the ability to make accurate strategic predictions, see Davies and Thompson, 'Known Unknowns'. For White's right of reply see Lowy Institute, *Entering Australia's Age of Uncertainty*, <<http://www.lowyinstitute.org/Publication.asp?pid=1431>> [Accessed 17 November 2010].

does not mean abandoning armed force as a legitimate tool of statecraft, but it does mean elevating diplomacy to the first line of defence. As Australian policy-makers consider their range of responses to a potential future of large-scale war in the Asia-Pacific, they should recall Thucydides' explanation of how the Athenian belief in the inevitability of war determined their own future: "The general belief was that whatever happened, war... was bound to come."⁹⁷

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⁹⁷ Cited in Nye, 'China's Re-emergence and the Future of the Asia-Pacific', p. 66.