STRATEGIC TIDES: POSITIONING AUSTRALIA’S SECURITY POLICY TO 2050

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Researching Australia’s Security Challenges
This Kokoda Paper
is dedicated to the memory of

Bravo 9 Sierra 24

1Squadron
Special Air Service Regiment

1969-70
The Strategic Tides project had its genesis in a conversation between several Kokoda Foundation members some four years ago, just as the Kokoda Foundation was being established. At the time, a vigorous debate was underway between strategy experts and other commentators who supported the “Defence of Australia” approach to national strategic planning (emphasising a “balanced force” that would enable Australia to dominate the maritime approaches to Australia – the “sea/air gap”) and those who advocated an approach that would focus on the ability of the Australian Defence Force (ADF) to project military power at great distances from Australia, wherever Australia’s broader strategic interests were engaged (with an emphasis on expeditionary forces).

The then-Defence Minister, Senator Robert Hill, had questioned the foundations of the strategic policy that underpinned both the force development and deployment of the ADF for the previous two decades. In a speech delivered at the Australian Defence College, Senator Hill took a new tack:

"It probably never made sense to conceptualise our security interests as a series of diminishing concentric circles around our coastline, but it certainly does not do so now. We are seeing a fundamental change to the notion that our security responsibilities are confined largely to our own region. The ADF is both more likely to be deployed and increasingly likely to be deployed (sic) well beyond Australia."

It is, of course, entirely appropriate that Ministers question the assumptions on which policy is based. At one level, Senator Hill was simply trailing his coat, encouraging Defence to come to terms with security as a global enterprise. At

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another level, however, he was advocating a kind of *post hoc ergo propter hoc* approach to force structure decision making that confused the consequences of good policy (in this case, the ability to deploy the ADF to Iraq) with the causes of good policy (the development of an appropriately designed force for the defence of Australia that provides government with options for distant deployments). It is always unfortunate when such Ministerial kite flying results in uncertainty and confusion – characteristics that are certainly to be found in the *Defence Updates* of 2003 and 2005, though redressed somewhat in the *Defence Update* 2007.

Any number of commentators subsequently joined the fray, evidencing a surprising superficiality in their broad understanding of the strategic policies Australian governments have pursued for three decades and a worrying lack of depth in the national capacity for strategic analysis. That debate revealed considerable confusion in strategic thinking, reflected in looseness of language and an unusual amount of *ad hominem* argument where mantras were exchanged with little regard for meaning. A number of the protagonists used the term “strategic interests”, though often in ways that conflated quite legitimate Australian interests in the political and economic effects of distant events – particularly in the Middle East – and the much more fraught issue of deploying Australian military forces in circumstances where there was no military threat to Australian sovereign interests or the Australian population.

A number of us were concerned that both sides of the debate ran the risk of ignoring fundamental changes to Australia’s strategic outlook that could render both positions equally irrelevant to Australia’s longer-term defence needs.

It is one thing to identify a conversation that is at cross-purposes. It is altogether another to establish a set of principles and targets that might serve to steer the conversation in the right direction. Governments are understandably reluctant to deal with “hypothetical” questions that turn on possibly calamitous differences in strategy
between great powers: the “we can have it both ways” position adopted by successive governments on the China-US question is a case in point. But while such pragmatism seems to offer a solution, what it really provides is an escape. The elephant remains under the carpet.

At this point in its history, the Australian public service appears to suffer a kind of policy paralysis. It is difficult to discern any set of analytical principles or policy positions that might inform either longer-term planning for the capabilities that could be needed in deteriorating circumstances or the decision-making that would be needed to ensure Australia’s security.

And yet, each year, the public service attracts and recruits the cream of Australia’s university graduates. It retains a large pool of talented young people who have the energy and ideas to stimulate a national strategic discourse and to take policy development to new and unanticipated heights. But while governments continue to leave the public service at the margins of policy development and formulation, critical opportunities for longer-term strategic positioning will continue to be lost.

The Kokoda Foundation in part fills the gap between the government’s wish to keep policy uncontroversial and the public’s wish to access the complexities of the various issues on which government decides. Strategic Tides is a contribution to the national strategic discourse. As with a number of other Kokoda Foundation projects, so too Strategic Tides has emerged from a series of high-level closed workshops involving leading defence, industry and economic planners, including members of the ADF, relevant policy departments and the intelligence community. These closed workshops encouraged the ventilation of a wide spectrum of views and opinions, always under deep Chatham House rules whereby the neutrality of the public service and the anonymity of public servants could be protected.
The result, then, is something of a distillation of informed views. It does not, however, pretend to be either normative or prescriptive: Australia’s future strategic position will be determined as much by the quality of Australia’s policy initiatives in the field of strategic security as by the quality of its responses to emergent situations. But what this Kokoda Paper does attempt to do is to identify the major forces that are already shaping Australia’s strategic environment and conditioning Australia’s future strategic choices. It also attempts to suggest answers to some of the questions that the reshaping of the strategic environment poses. Between the emerging economic (and population) powerhouses of China and India, the evolving nature of US power, the looming contest between the liberal values of the West and the absolutist values of radicalised Islam and the slide into anarchy that seems to be the inevitable fate for some of the small nations of the Pacific, Australia has major choices to make. A pragmatic, incrementalist approach will only serve to compound complexity. Future Australian governments will need to establish the parameters within which they can exercise their strategic options, to Australia’s strategic advantage and that of the near region. And while those parameters will need to have inbuilt flexibility and encourage agility in decision-making, they must also reflect resolution on those things for which Australia is willing to fight and expend both treasure and blood.

Optimism, with a measure of “she’ll be right, mate” insouciance, has been an enduring and endearing Australian characteristic. Australians coalesce around hope rather than fear. In some respects, the long period of relative under-investment in Australia’s defence capacity reflects a common belief that high insurance premiums paid into long-term defence assets are unnecessary because they will never be employed. The F-111 acquisition is often used as an example of over-investment in a never-used capability. In other respects, of course, this parsimony reflects an inability to come to terms with the fact that strategic discontinuities
usually arise quickly, are inherently unpredictable, and offer little if any time for force expansion.

The solution to parsimony – the consequence of which is what Paul Dibb has called “the looming capability train smash” – is not profligacy. Rather, it is the disciplined development of integrated force options based on careful analysis of emergent strategic fault lines, scientific innovation that exploits technology rather than the overworked members of the ADF, capability acquisition that delivers real value for the dollars spent, partnership between government and industry that substantiates the fact that defence is a “whole of nation” enterprise – and, above all else, decision-making systems that are robust and quick.

*Strategic Tides* is the Kokoda Foundation’s contribution to the first of these elements – an examination of emergent strategic fault lines and what they might mean for Australian strategic policy. While some of the ideas expressed in this study may challenge governments and their advisors, their intent is purposive rather than critical. Put at its simplest, *Strategic Tides* argues that a new world demands new ways of thinking and acting if Australia is to secure its strategic future by maximising its ability to impact on the dynamics of change while minimising the negative effects of such change. This is, perhaps, a big ask. But as the members of the Special Air Service Regiment understand only too well, “Who dares, wins”.

Some of the ideas in this paper first saw the light of day in a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade in dealing with its *Inquiry into the Economic, Social and Strategic Trends in Australia’s Region and the consequences for our Defence Requirements*, conducted in 2006. Others have been distilled from energetic and constructive discussions with course participants at the Australian Defence College. And, of course, former senior officers of both the ADF and the Department of Defence have been generous with their advice and comments – not, of course, that they are ever reticent in expressing their views!
As with all the Kokoda Foundation activities, *Strategic Tides* is the product of a team activity. But the views it contains are, in the final analysis, mine, for which I take responsibility.

As always, this report is not intended to be the last word on the subject. Readers who wish to discuss and debate aspects are encouraged to do so by preparing either a short commentary or a longer article for the Kokoda Foundation’s professional journal, *Security Challenges*. For details on how this can be done, please visit:

http://www.kokodafoundation.org/journal/New%20Site/author.html

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EXECUTIVE SUMMARY

This Kokoda Paper considers the major forces that are shaping Australia’s strategic environment and conditioning Australia’s future strategic choices. It argues that a pragmatic, incrementalist approach will only serve to compound complexity. Future Australian governments will need to establish the parameters within which they can exercise their strategic options, to Australia’s strategic advantage and that of the near region. And while those parameters will need to have inbuilt flexibility and encourage agility in decision-making, they must also reflect resolution on those things for which Australia is willing to fight. There is a need for strategic policy that will create the conditions where the synergies between strategic diplomacy and decisive lethality are combined into a purposive, long-term strategy. The paper explores the forces that will shape Australia’s strategic environment over the next four decades.

Australia’s immediate neighbourhood has a number of states that are both economically weak and politically unstable. These two factors ensure that there will be an ongoing need for external armed intervention to suppress domestic violence. Australia is not under direct threat, but Australia’s historic and economic connections into the region will continue to impose significant security demands that will involve military and law enforcement capabilities. Australia has only two options. First, it must work with New Zealand and the United States to exert a stabilising influence on the region. Second, it must continue to work against a strategic lodgement in the region by countries whose longer term interests are unlikely to coincide with those of Australia, New Zealand or the United States.

The increasing prosperity and political development of the countries of South East Asia will generate the social capital that is crucial to national harmony and regional security. Developments in Indonesia, Malaysia, Singapore, Thailand and Vietnam will continue to have a direct and lasting
influence on Australia’s prosperity and strategic policy. However, increased national wealth also permits the expansion of military forces through the acquisition of advanced weapons technologies. While national self-defence is a core responsibility for any government, Australia must remain alert to the dangers of a regional arms race.

North Asia is a complex and dynamic region of opportunity and danger. The North Asian buffer states of Japan, South Korea and Taiwan have the capacity to precipitate significant strategic discontinuities. However, it is the economic and population growth of China and India that will reshape strategic boundaries. While a continuing process of accommodation with a China that is slowly redefining itself politically and strategically offers the most constructive path to the future, there are many obstacles lying ahead, not least of all China’s growing military power and an increasingly competitive relationship with both the USA and India.

While population size is important, it is the demographic characteristics of each nation that will drive the capacity for economic growth, which will in turn influence the ability to build their defence capacities and to expand their offensive capabilities. For Australia, strategic positioning in the context of the relative demographic, economic and political readjustments between nations will be central to continued prosperity and security. Crucial among these changing relationships over the next four decades will be how the USA develops its strategic posture, and how it might propose to employ military force in support of its foreign policy. A key question is: how will the USA accommodate the increasing strategic ambitions of China and India as they seek to exploit their strategic differentiation from the USA, and from each other?

The dynamics of the strategic environment will require considerable political will and resolve from Australia. As the 21st century unfolds, the clash of values will impose demands on governments unlike any that they have experienced previously. It is less a “paradigm shift” away from the
traditional principles of armed conflict than a “paradigm evolution” that accommodates new sources of armed conflict, new forms of war fighting and asymmetric warfare, and recognises the need for new approaches to the employment and deployment of lethal force in the defence of the nation and its way of life.

But what are the values that distinguish the Australian community, and what is it that Australia must defend at any cost? Indeed, does Australia have a unifying set of values? Australia’s ability to resist aggression and to display the resilience that lies at the heart of the national defence effort depends on a general acceptance of a shared value set. Rights – that find political and legal expression in the Rule of Law – are at the centre of constitutionality, and while they cannot be enforced, they must be defended. In this basic sense, the integrity of the nation’s constitutionality is what the Australian Government must ultimately fight for and defend.

Australia’s strategic problem is unique: how to manage the defence of 20% of the earth’s surface (including the EEZ) with 0.3% of the world’s population? The answer lies in good policies that reduce the prospects of war – strategic diplomacy – working in tandem with defence capabilities that are decisively lethal should they be employed.

Australian security strategy must express the values, behaviours and cultural dynamics of the nation. Australia must be more confident in the conduct of strategic diplomacy. This means that strategy must be consistent with the values that define the Australian community and be sensitive to the need to engage other nations on their own terms. These two prerequisites – a clear expression of national identity and an appreciation of the cultures of the region – will inform a strategic diplomacy that would operate in four major domains: political maturation; economic growth; social justice and responsibility; and cultural pluralism. These are all necessary components of regional stability and security, though none of them is itself sufficient.
Decisive lethality is premised on tailor-made capabilities that Australia is uniquely able to develop and deploy, for which effective counter-measures exceed the capacity and the treasury of possible adversaries. There are four areas of strategic capability that are essential to the development of decisive lethality. They are advanced C3I, long-range precision strike, integrated sustainment of deployed lethality from the national support base over extended periods of time, and the ability to mount cyber warfare defence and attack. And, given Australia’s low population and large operating areas, these four areas are dependent on advanced technological capacity and a highly skilled population base.

Australia is on the cusp of a new strategic age. While the lessons of the past must continue to inform the evolution of strategy, they cannot determine its long-term nature or the capabilities that will be critical to guaranteeing long-term security. This policy evolution demands both respect for the past and an ability to break with it. It demands innovation in both strategic policy development and in the design of the force structures that will be central to its implementation. These are clearly huge tasks. But if Australian governments in the near term fail to address and defeat the challenge, future generations will be left both to regret the lost opportunity and to mourn the failure in courage and leadership.
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ABOUT THE AUTHOR

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Following a couple of years as a tutor in Asian Studies, Allan’s career covered the Australian diplomatic service, the Prime Minister’s Department, the Department of Defence and the Attorney-General’s Department. He specialised in international relations, defence strategy, counter-terrorism and law enforcement policy, and had a two-year stint as General Manager in the Attorney-General’s Legal Practice. From the mid 90s, as head of the International Policy and Strategy Divisions of the Department of Defence, he was responsible for the overall management of Australia’s strategic intelligence relationship with the USA, defence relations with Indonesia (a critical aspect of Australia’s successful intervention in East Timor) and broader Asia-Pacific security affairs.

For more than 25 years, Allan has enjoyed close working relationships with the US Defense community (especially in Washington and Honolulu), as well as with the defence forces of New Zealand, Indonesia, Malaysia, Singapore, Thailand, the Republic of Korea, Japan, the Philippines and China.
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STRATEGIC TIDES: POSITIONING AUSTRALIA’S SECURITY POLICY TO 2050

THE OUTLOOK IN THE IMMEDIATE NEIGHBOURHOOD

If you can keep your head when all about you are losing theirs and blaming it on you . . .

Rudyard Kipling

The political, social and economic outlook for Australia’s immediate region, with the notable exceptions of Indonesia and New Zealand, is gloomy. Poverty, corruption, political ineptitude, ethnic tensions, disease and climate change all combine to render the small nations of the South Pacific unviable. While early intervention by Australia and New Zealand, especially economic assistance and access to their mature labour markets, may serve to ameliorate the rate of decline, continued neglect will only ensure that the ADF will remain on standby to restore local security and to deliver emergency humanitarian assistance. Of these countries, only Papua New Guinea, Fiji and, possibly, East Timor have any chance of surviving as nations – and only if they are able to introduce and maintain governments that build viable institutions and national capacity. And the tragedy for those three countries is that, on present indications, the signs are not auspicious. For as long as they continue to blame Australia or any other country for their own incompetence and corruption, their future is bleak.

Failed and Failing States

As events since 1975 (Indonesia’s occupation of East Timor) have amply demonstrated, Australia’s immediate neighbourhood is at once economically weak and politically
unstable. These two forces act in combination to create outbursts of domestic violence that require external armed intervention for their suppression. What has been termed “the arc of instability” constitutes an ongoing strategic concern for Australia, not because of any direct threat to Australia’s sovereignty or its domestic interests, but because of the threat to Australia’s diplomatic, consular, commercial and broader security interests in the region. Not only are Australian businesses and nationals deeply involved in the economies of the region, but Australia’s standing as the region’s leading power imposes significant security demands involving both its military and law enforcement capacities.

**East Timor**

East Timor’s internal security prospects are poor. While Australia and Indonesia are able to guarantee East Timor’s security against external attack – indeed, a trilateral security agreement makes good strategic sense from a number of perspectives – the real problem is East Timor’s internal security. Poor economic prospects, especially in terms of employment opportunities for the young, together with a rapidly growing population and serious ethnic divisions suggest long-term political instability and real risk of armed violence. Events of recent months confirm what was already evident at independence: the removal of externally imposed authority offered the East Timorese the chance to forge their own national identity, while at the same time releasing centrifugal forces within East Timorese society that impact negatively on internal stability and prosperity. In a country where the resurrection of colonial icons, most particularly the legal system and the Portuguese language, in fact denies opportunity for personal advancement to any outside the traditional elite, there are already clear signs of the tensions that create failed states. The guerrilla ethos, in combination with the widespread distribution of small arms and ammunition, militates strongly against the orderly development of East Timor into a survivable state.
For Australia, East Timor’s precarious future imposes ongoing costs. These are not simply economic – the long-term provision of development aid and humanitarian assistance – but also political and strategic. Australia has no option but to intervene when violence becomes more widespread, and this establishes an ongoing task for the ADF.

Of much greater concern, however, is the possibility that some future government of East Timor, especially if it were to be a radical relic of Portuguese colonialism, might turn for political and financial support to external powers whose interests were inimical to those of Australia, or Indonesia for that matter.

The strategic issue would then become one of significantly greater moment, transcending peacekeeping and law enforcement as an ADF role to more direct war fighting roles, including the potential for strategic strike. While the kind of strategic lodgement conducted by Japan in 1942 is most unlikely, circumstances in which Australia’s force projection capabilities might be called upon are entirely possible. It is important to note that East Timor’s poor security prospects for the long term invoke Australia’s strategic interests as well as its land force capabilities.

**Papua New Guinea**

Since its independence in 1975, PNG has been on a long, slow slide towards ungovernability. Unmanageable politics, together with inept and generally corrupt governments, have combined to destroy the optimism with which the nation was created. By almost any measure, PNG has regressed to a point where serious internal instability, armed challenges to local and central government and popular groundswells towards local autonomy and/or independence are likely to be commonplace. Literacy standards have declined significantly; infant mortality has risen; the number of mothers dying in

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1 It is important to recall that it was the appearance of communist radicals in East Timor that triggered the Indonesian takeover in 1975.
childbirth has risen; unemployment levels have increased sharply, a problem that is exacerbated in Port Moresby, Mt Hagen and Lae by the continued drift of young rural unemployed to the cities; urban crime rates continue to climb; overall health standards have continued to fall for the past decade; and the incidence of HIV/AIDS is rising. Parts of PNG, especially the Highlands, show signs of incipient anarchy.

While Australian financial and development aid may serve to arrest the rate of decline, no amount of external aid can remediate PNG’s problems without concerted efforts, over a long period, by the Government of PNG to rebuild and strengthen the core national institutions – the courts, the judiciary, education, health, public administration, law enforcement services, governance and proper financial management. With the exception, perhaps, of Sir Mekere Morauta’s government (1999-2002), PNG’s governments have had little disposition to address the fundamental problems impacting on PNG’s stability and internal security. Nor have they been able to deal with endemic corruption.

But, if PNG’s problems are not susceptible to treatment through foreign aid, they are certainly not susceptible to a military solution. While the ADF, in concert with regional forces, may be able to broker and maintain the peace in special environments and circumstances such as Bougainville, the ADF cannot fix the law and order problem of PNG. At best, it can provide only local and temporary relief. And the demands are likely to be frequent, and continuous.

For their part, the PNG governments of the future will certainly want to maintain a clear independence from Australia, and will continue to demand Australian financial support and budget assistance without undertaking the difficult work of reform and the prosecution of corruption. As with East Timor, so too PNG may look elsewhere for financial and political support. In the past, PNG has flirted with international relationships that would not have been in its – or Australia’s – best interests. In view, however, of the spreading instability in Melanesia and Micronesia and the changing power balances
in the North Pacific, PNG may again be seduced into investment, trade and political relationships that could be problematic for Australia. Were, for example, PNG to discover significant energy resources or accept even greater foreign investment from offshore, it could easily become a pawn in the extension of military power from the northern to the southern hemisphere. And here again Australia’s strategic interests would be directly engaged, along with the need for force projection and strategic strike options within the ADF’s war fighting capabilities.

**Fiji, The Solomons and the Pacific Island Countries (PICs)**

In microcosm, the troubled countries of the South Pacific are the victims of the 19th century jostling between the colonial powers, particularly Britain, France and Germany. The euphoria that marked the independence of Fiji in 1970, the Solomon Islands and Tuvalu in 1978 and Kiribati in 1979 quickly gave way to internal political and social dislocations that were in part a legacy of the colonial period. Whether because of ethnic tension and the consequent lack of social cohesion, political instability, poor economic performance (and the attendant high unemployment among young males) or climate change – or perhaps a combination of all of these factors – the prospects of the Pacific Island countries are poor. Instability is rife, and the chances of any significant improvement over the next three or four decades are low.

Fiji, which might have enjoyed the brightest future, is subject to continuing racial tension that impacts directly on the nation’s economic performance and political stability. The emigration of many ethnic Indian professionals and entrepreneurs continues to impact on industry and commerce, a situation that the ethnic Fijians seem incapable of fixing. Its defence force, comprising mostly ethnic Fijians, sees itself as representing the traditional Melanesian warrior spirit, and retains for itself the right to interfere directly in Fiji’s political life, even to the extent of dismissing governments. Until the
Fijian political leadership is able to bridge the two main communities and address the fundamentally divisive issues of land ownership, land tenure and nationality, Fiji will continue to underperform economically and remain politically volatile. And, as has been evidenced recently, the Fijian leadership will continue to create short-term (and unstable) political alliances with other disaffected nations in the region in order to put whatever pressure it can on Australia and New Zealand.

The Solomon Islands has similarly dim prospects. Ethnic tension, political corruption, external political interference by Taiwan, poor economic performance and attendant high youth unemployment, and high population growth combine to render its long-term position precarious. It will remain a drain on aid donor countries, and continuing peacekeeping efforts by Australia and New Zealand are likely over the longer term.

Nauru, which reached independence in 1968, has largely squandered the considerable capital fund that accrued from phosphate mining. It is totally dependent on the import of foodstuffs, and is kept solvent through aid donations, mostly from Australia. With a population of approximately 10 thousand, many of them in poor health due to chronic diabetes, the nation is not viable in the longer term except as a remote dependency of some major state. Its remoteness may lend it some continuing attraction as a detention centre, but the lack of water and other infrastructure means that it cannot sustain a large detainee population. It will continue to soak up Australian energy, including that of the ADF.

Samoa and Tonga have managed their economies somewhat better, though Tonga has been the victim of various financial scams that have impacted on its financial institutions and the credibility of the monarchy. Recent political upheavals, however, and the destruction of the capital’s business centre as a result of political violence, demonstrate just how vulnerable the Pacific Island Countries are to instability and violence.
Climate change, together with the devastating impact of hurricanes and high sea states may render Kiribati and Tuvalu uninhabitable. While their populations are not large, and their links are principally with New Zealand, their ultimate demise will impact on Australia, and on the ADF, in terms of disaster relief and rescue.

In all of this, Australia has only two key strategic options. First, Australia must continue to work with New Zealand and the United States to exert whatever stabilising influences it can, principally through development assistance, market access and, most importantly, access to the Australian labour market. Second, Australia must continue to work against any form of strategic lodgment in the South Pacific by extra-regional countries whose longer term interests may not coincide with those of Australia and New Zealand. Taiwanese political activities in the South Pacific have been a continuing irritant, but they have not had any lasting strategic impact. But were that to change, and were China to force the issue with respect to diplomatic recognition, outplaying Taiwan in terms of both payments to regional political leaders and the construction of dual use (i.e. military and civilian) infrastructure, the strategic consequences for Australia would be significant.
A MORE BUOYANT SOUTH EAST ASIA

If you deprive yourself of outsourcing and your competitors do not, you’re putting yourself out of business.

Lee Kwan Yew

Indonesia

Notwithstanding its uncertain future, Indonesia is neither a failed nor a failing state. But it is at once Australia’s greatest strategic asset (if things go right) and greatest strategic problem (if things go wrong). For obvious reasons, Australia has put considerable policy, personnel and financial resources into the management of its strategic and defence relationship with Indonesia. The record is, however, a mixed one, due basically to a periodic lack of symmetry and convergence between the conduct of Australia’s foreign policy and the conduct of its defence policy. It has been much in Australia’s strategic interests that Indonesia should have a stable political system and a credible military capacity – especially given the unique role the Indonesian Armed Forces (TNI) play, and will continue to play, in the country’s political life. For this reason, Australia’s support for the emergence and strengthening of Indonesia’s embryonic democracy has included not only institutional support for the parliament, the judiciary, the civil administration, the economy, law enforcement, education and capacity building in response to natural disasters, but has also maintained high-level and frequent links with the TNI.² It would be in Australia’s strategic interests that such programs both continue and receive the personnel and financial resources to generate greater traction.³

² It might reasonably be claimed, however, that such support has been sporadic and not well targeted.
³ For sensitive and sympathetic ideas on how Australia might grow its relationship with Indonesia, see Jamie Mackie, “An Important Relationship on the Brink of Maturity”, The Australian, 31 October 2007, p. 16.
Relations between the ADF and the TNI have waxed and waned as perceptions of shared interests and unacceptable behaviour have impacted on the ability of both parties to inject substance into the cooperation program. Successive Australian governments have faced the dilemma of assisting the TNI to improve its counter-terrorism capabilities, for instance, in circumstances where advanced military skills might be employed against Australian political opposition. This author, for example, counselled against ADF assistance to the Indonesian Special Forces (*Kopassus*) at a time when there was reasonable doubt that those forces were under effective TNI command. But a number of factors combine to make effective counter-terrorism cooperation critically important. The bombing in Bali on 12 October 2002 in which 202 people (88 of them Australians) were killed, the bombing of the Australian Embassy in Jakarta on 9 September 2004, and the continued presence of more than 40 thousand Australian nationals spread across the Indonesian archipelago means that Australia has an abiding interest in the ability of the Indonesian government to manage its internal security.

It would be in the strategic interests of both Indonesia and Australia that Indonesia continue along the road to greater political and economic participation by all Indonesians within the framework of democratic institutions. The continual strengthening of Indonesia’s democratic institutions would position it to become a significant player in both regional and global affairs in the 21st century. It would, moreover, offer Indonesia a leadership role in South East Asia, enabling it to nurture the emergent democracies in Indo-China and, possibly, Vietnam. Provided that Indonesia is able to maintain an economic growth rate of around 6% and a population growth rate of less than 1%, current UN estimates indicate that Indonesia will be, by 2050, the fifth or sixth biggest population in the world, with an economy approximately three times that of Australia in aggregate terms.

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It has long been a basic Australian strategic assumption that any direct attack on Australia must come from or through Indonesia. An economically prosperous and politically stable Indonesia does not invalidate that assumption. But it does suggest that, in such circumstances, Australia’s force structure would still demand force projection and strike capabilities that can be deployed north of the Indonesian archipelago, either in concert with Indonesia or, in circumstances where Indonesia chose to remain neutral (and that is the more likely situation), independently.

While a prosperous, stable and benign Indonesia is an enormous strategic asset for Australia, that outcome does not relieve Australia of the need to ensure that it is able to meet the challenges of strategic instability further afield. It simply means that Indonesia itself would not be the problem. Of course, were there to be emergent strategic instability elsewhere in Asia and, at the same time, Indonesia were less well disposed, Australia’s strategic choices would indeed be complicated.

Unfortunately, Indonesia’s political and economic future is by no means certain – and both are highly interdependent. The combined pressures of high population growth, fragile political direction, opportunistic and unstable political alliances, poor investment decisions and evident shifts towards a more formal and fundamentalist form of Islam as more Indonesians are exposed to organised Islamic political forces impose great stress on the core democratic institutions, particularly the political parties and the two houses of parliament. Consequently, there are two critical pathways that Indonesia might follow if democratic practice were unable to take root properly and grow in strength.
The first is a highly centralised and autocratic Islamic government that effectively marginalises the principles of *pancasila*\(^5\) and imposes strict Islamic values based on Sharia law\(^6\) that deny personal freedoms of association, expression and religious practice. Such an Islamic government would, in all probability, provide substantial benefits to the TNI in return for loyalty and enforcement, similar to the practice under President Suharto. Such a system of government would not be democratic. While it would almost certainly maintain a form of electoral process in the appointment of a representative parliament, the role of that parliament would not be to govern but rather to endorse Presidential decrees.

A governmental system of this type may appear to be a return to the “New Order” imposed on Indonesia after the alleged communist coup attempt in 1966. The “New Order”, however, while autocratic and increasingly corrupt, was secular. In current circumstances, and especially given the widespread popular repudiation of Suharto’s “New Order”, secular centralism – even under the TNI – is less likely. Significantly more likely is Islamic centralism based on a values structure that enshrines religious authoritarianism and constrains democratic liberalism. In such circumstances, the frontline of the “clash of values” would be on Australia’s doorstep.

The strategic consequences for Australia would be severe. Indonesia would no longer be a single (and singular) strategic issue for Australia, but would in fact become part of a globally networked values system a principal objective of which would be to constrain and eventually eliminate democratic liberalism. While that may not lead to direct military attack, Australia

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\(^5\) *Pancasila* (the “Five Principles” – monotheism, humanitarianism, national unity, democracy and social justice) is the Indonesian ideology that supports national resilience, mutual self-help, religious tolerance and ethnic participation. It has been a central feature of Indonesian constitutional arrangements since 1945, and has been reinvigorated under the Presidency of Susilo Bambang Yudhoyono.

\(^6\) Sharia law has already been imposed in Aceh province, and there are pressures in other provinces for Sharia law to be applied.
Strategic Tides could conceivably find itself subject to a number of forms of coercion, ranging from political isolation in South East Asia, administrative controls on freedoms of overflight and navigation, encouragement of illegal migration into Australia (particularly from Melanesian Indonesia), arbitrary arrest of Australian nationals travelling in Indonesia (for breaches of Sharia law) to direct military harassment of Australian naval vessels transiting Indonesian waters.

Islamic centralism in Indonesia would evidently impose significant force structuring consequences on Australia. In such circumstances, force projection and strategic strike would be essential capabilities, with the clear corollary that such capabilities would need to be covert as well as overt.

The second generic political outcome for Indonesia were the democratic experiment to fail would be the effective disintegration of Indonesia as a unitary state, and its transition into a loose confederation (the optimistic view) or a group of independent mini-states (the pessimistic view). The former would certainly consume enormous amounts of political energy to secure the kind of lowest common denominator outcomes that allow a loose confederation to stay in business, and would consequently experience such intense internal distraction that it would be less likely to focus on the creation of any serious strategic threat to Australia. The latter would be much more complex strategically, in that the “failed and failing” states syndrome would spread from the Pacific into South East Asia. The prospects for the rise of maverick states (such as Libya and Cuba were in the 20th century) or client states (such as Eastern Europe was under Soviet domination) would be substantial.

While the strategic consequences of either disintegration scenario would differ, the force structure and capability planning consequences for Australia would be identical. Australia would need to retain a clear and decisive capacity for force projection and strategic strike both to deter aggression and to prevent the use of armed force against Australian interests.
**Malaysia, Singapore, Thailand**

By virtue of its shared interests under the South East Asian Treaty Organisation (SEATO) arrangements and the Five Power Defence Arrangements (FPDA), Australia has enjoyed cooperative and often close defence relationships with Malaysia, Singapore and Thailand. These relationships are, on balance, likely to persist over the next four decades or so, notwithstanding the various adjustments that each country will make to China’s growing importance as a global power and India’s growing importance as a regional power.

**Malaysia**

It is less likely that the quirkiness that marked Australia-Malaysia relations during Dr Mahathir’s period as Prime Minister of Malaysia will recur, though the growing formalism of Islam in Malaysia, and the appearance of fundamentalist Islamic groups within Malaysia, particularly in Trengganu and Kelantan, may see the injection of cultural sensitivities from time to time. But the respective governments of Malaysia and Australia will work to keep such instances under control.

While defence-to-defence relations between Malaysia and Australia will remain strong, it is less likely that the Malaysian government will support any enhancement of Australia’s military standing in the region, whether for peacekeeping or any other purpose. Bilateral links under the auspices of the FPDA have attenuated over the past 20 years. While they are likely to survive as a relic of the UK’s “East of Suez” policy of the late 1960s, they will not provide real ballast in the bilateral defence relationship. Such a relationship will depend much more on strong bilateral political links, a strong professional relationship between Defence Ministers, a robust capacity for strategic dialogue at the CDF, Chief of Service and Departmental Secretary level, and a pattern of meaningful military exercises.

But, for the foreseeable future, Malaysia will remain largely introspective as a strategic entity, concerned much more with the maintenance of racial and communal harmony
domestically, the management of a competitive and often friction-laden relationship with Singapore, and the creation of a regional economic identity. Australia is unlikely to feature significantly in the realisation of these aspirations. Malaysia would not, in most circumstances, oppose Australia directly on any substantive regional strategic issue. But it is highly likely to adopt a neutral stance, and would not be expected to offer much in the nature of operational or logistic support to Australia, were Australia to deploy its military forces north of the equator.

Singapore

Geography continues to confer considerable strategic significance on Singapore. Australia and Singapore have traditionally managed a healthy and robust bilateral defence relationship in which both sides are well aware of the mutual benefits. Singapore will continue to pursue a policy of clear strategic self-interest with a marked preference for strategic alignment with the industrialized democracies. It is less interested in carving out a regional strategic role than it is in maintaining a global voice on maritime and aviation matters. It has well developed plans to expand its already substantial military capabilities in the air and sea domains, and is steadily acquiring an ability to project military force. While it will remain a tough negotiator driving hard bargains, its evident focus on a “realist” approach to strategy will make it a more likely ally of Australia and the USA than a fence sitter. Of course, its support cannot be taken for granted: but in circumstances where strategic necessity dictates force projection by Australia, Singapore would normally find itself sympathetic to Australian strategic thinking.

Thailand

Since signing the Manila Pact in 1954, Australia and Thailand have maintained a cooperative defence relationship. Throughout the Vietnam War, and more recently in the management of the INTERFET deployment in East Timor from 1999-2000, Australia and Thailand have been able to
collaborate on matters of mutual regional interest. While it retains a small air force and a modest navy, Thailand’s capability focus has long been on its land force, given its historical preoccupation with the integrity of its land borders, the preservation of internal security and the maintenance of public order. These are likely to remain the principal objectives of Thailand’s strategic policy for decades to come. The Royal Thai Armed Forces (RTAF) know that they risk a measure of international condemnation for their willingness to intervene in domestic political affairs. Nonetheless, defence of the monarchy and the ability to restore political order will remain central to the role and functions of the RTAF.

Thailand continues to confront a long-term insurgency in the south – an insurgency driven by religious and cultural differences and fuelled by perceptions of economic disadvantage. While the focus of the Islamic terrorists remains on the Thai military, Thai government officials and government offices, military and police operations will remain very much a matter for the Thai government. But an escalation of the insurgency – especially were it to involve attacks against tourist resorts in Southern Thailand – would immediately engage the interests of the Australian Government, and almost certainly lead to enhanced military and police cooperation as has occurred in Indonesia.

Through a combination of deflection, accommodation and stonewalling, Thailand has managed to retain its independence and autonomy. It escaped colonisation, preserving its cultural identity and political self-determination. Its strategic policy is based on self-interest and national introspection. Although it is prepared to form associations and to align itself from time to time, such alliances are more political than strategic in their effect. Consequently, on any issue of strategic importance to Australia where the Australian government may wish to project military force, Thailand is as likely to be neutral as to be aligned. But, so long as its own interests are not directly threatened, it is more likely to adopt a
permissive stance towards such force projection than it is to restrict or oppose it.

**Vietnam**

The last quarter of the 20th century saw Vietnam’s rapid emergence as a vibrant economy and a self-confident player in the political affairs of South East Asia. While its experience as a French colony was, until 1940 at least, relatively benign, the next 35 years was the crucible in which modern Vietnam was formed. The destruction of its economy and the devastation experienced by its people during the Vietnam War were severe. But its inherent resilience, together with the strongly entrepreneurial tradition of its mercantile class, has enabled it to position itself as a highly independent nation that is happy to participate in undemanding political associations such as ASEAN, but finds no need to establish any form of strategic relationship with any other partner. In other words, Vietnam is beholden to no one.

This is the key to Vietnam’s future strategic development. By the middle of the 21st century, Vietnam will be a significant economic and military power in South East Asia, well able to assert its territorial and seabed claims in the South China Sea, independent in the conduct of its political relationships, and, by virtue of its history, culture and language, strongly nationalistic. On current UN projections, its population, at about 117 million, will be approximately 50% bigger than that of Thailand, and its economy, on World Bank projections, will be almost twice that of Thailand.

Like all of the members of ASEAN, its strategic focus will continue to be the maintenance of internal security, regional stability and cooperative economic prosperity.Disconnected from western values, however, it will see no advantages – other than opportunistic ones – from support for the USA and its allies in any global struggle for predominance. While it would draw no particular comfort from China’s dominant role in Asia, that of itself would not persuade Vietnam to alignment with the USA. Rather, it would manage an accommodation
with China, as it has traditionally, without ceding its own interests or sovereignty. Accordingly, in any future situation that might find Australia wishing to project its forces into the north Pacific, Vietnam’s attitude is unlikely to be permissive. It would certainly seek to defend its interests in the South China Sea, which may in turn persuade it to exclude all foreign forces, not just those of its competitors for seabed sovereignty or its possible adversaries.

**A Cloud on the Horizon**

Increasing prosperity and expanding treasury coffers will enable the nations of South East Asia and Indo-China to invest in their people and to develop their economic infrastructure. In other words, prosperity will generate the social capital that is the critical foundation for national harmony and regional stability. Increased national wealth, however, will also permit them to expand their military forces through the acquisition of advanced weapons systems. A number of regional countries – Indonesia, Malaysia, Singapore, Thailand and Vietnam – have already announced their intention to acquire a submarine capability, for instance, together with expansion of their air combat capabilities through the purchase of high performance fighter aircraft such as the SU-30 and AWACS technology.

Developing and maintaining a capacity for national self-defence is a fundamental responsibility for any government, and properly funded defence forces make an important contribution to regional security by deterring impetuous or aggressive decisions by neighbours. But competitive force acquisition is what fuels an arms race, and there are already the early warning signs that regional nations are vying with one another to expand the range, endurance and lethality of their defence forces. Competitive force acquisition builds distrust, thereby increasing the risk of conflict rather than deterring it. While calls for transparency in military planning and expenditure are part of the negotiating coinage within ASEAN, the fact is that regional governments are coy in their
public pronouncements on defence questions. Were this coyness to mask a more basic urge to competitive force acquisition – an arms race – the buoyant economic prospects of the region would be undermined by the misdirected investment in weapons systems and the incipient tension that could generate.
THE NORTH ASIAN BUFFER STATES

When human society advances to the point where classes and states are eliminated, there will be no more wars, counter-revolutionary or revolutionary, unjust or just; that will be the era of perpetual peace for mankind.

Mao Zedong

The shifts in political power in North Asia, and the concomitant strategic opportunity that generates, will impact directly on Japan, South Korea and, of course, Taiwan in ways that are both unpredictable and potentially problematic. They will, at best, play marginal roles, though their capacity to precipitate critical discontinuities will remain significant.

Japan

For almost three decades, Japan has been evolving a more individual strategic identity as it comes to terms with China’s growth, its own preference for greater military independence from the USA, the reaffirmation of its national military identity and, most importantly, its constitutional transformation into a credible 21st century strategic entity as distinct from a 20th century strategic failure. At the same time, it is under great external pressure to accept the consequences of its 20th century actions, particularly in Manchuria, southern China and Korea, and even greater internal pressure to manage the consequences of demographic change and economic stagnation. As a metaphor for self-confidence, Japanese nationalism is on the rise, the clearest expression of which will be a more self-confident military posture. Its maritime and air defence capabilities are already significant, while its tentative forays into international peacekeeping have had a clear impact on the self-confidence of its land forces. Already a significant regional military power, Japan will, over the next few decades, give sharper definition to its military technological potential.
This is most unlikely to amount to any form of defence threat to Australia. But it may well change the basis on which current strategic calculations are made by the USA and China, and, in consequence, Australia. While, in present circumstances, Australia draws comfort from the “interlocking web” of bilateral alliances between the USA and, separately, Japan and South Korea, the emergence of a much more independent and neutral Japan would have a significant impact on logistic and support arrangements. It is important to recognise that, over the long expanse of history, Japan has typically accommodated itself to Chinese power while being able to retain and maintain its own cultural identity. Korea has been able to do the same. It is quite conceivable that, in the circumstances of significant power shifts over the next 20 to 40 years, Japan will pursue economic and national security policies that emphasise independence and the maintenance of clear national identity rather than the collective security approaches of the latter part of the 20th century.

Indeed, some of the early signs of a resurgent Japanese nationalism are worrying. The gradual emergence of a more jingoistic nationalism in Japan is the result, in part at least, of the dominance of vested interests within the Japanese governing party that have resisted economic and political reform while, at the same time, indulging in cronyism and turning a blind eye to corrupt business practices. The continuing inability of Japan to come to terms with its own past as a genocidal invader, the growing power of the Yasukuni Shrine as a symbol not only of Japanese national identity but of Japanese militarism, and the beginnings of a debate in Japan on the need for a nuclear deterrent force all signal a less comfortable strategic future for Japan. And this has profound implications, not only for Korea, Taiwan and the United States, but also for the nations of South East Asia and Australia.
The Republic of Korea

Given its close proximity to China and a continuously fraught relationship with the pariah state to the north of the 37 parallel, South Korea confronts unique strategic issues. For the last 50 years, South Korea has relied on relatively static ground and air defence forces to maintain its defence against possible attacks from the Democratic Republic of Korea (North Korea). Given China's role in both precipitating the Korean War and supporting for North Korea in the conduct of operations, South Korea's strategic defence has also relied heavily on substantial US forces to provide a deterrent “trip wire” to discourage both North Korea and China from provocation. Notwithstanding frequent skirmishes on the demilitarized zone, and the insertion of North Korean “seals” from North Korean submarines deployed into South Korean territorial waters, US deterrence has worked well. As a consequence of China’s evolution from a revolutionary communist state to a communist market economy and the substantial growth of South Korea's defensive capacities, the US has been able to reduce the deterrent “trip wire” to almost token levels.

For much of the latter part of the 20th century, South Korea sought to draw Australia, along with Canada, New Zealand and several other countries, into a set of logistic and other defence support arrangements that would have had the effect of recreating the circumstances of the Korean War were South Korea to have been attacked by the North. These overtures were largely rebuffed, not least of all because the strategic situation in the Korean peninsula had changed radically since 27 July 1953, when the armistice was signed. Nonetheless, South Korea managed three remarkable achievements: it developed an integrated economy that ranks 14th in the world order; it developed a robust democracy; and it maintained strong military forces with close cooperative relationships with the major allies of the USA.

South Korea’s economic strength and the robustness of its political institutions are key factors determining its strategic
future. Its ability to manage a mutually advantageous *modus vivendi* with both Japan and China, while at the same time positioning itself for the eventual reunification with North Korea, will enable South Korea to preserve its independence and simultaneously accommodate itself to the reality of China’s strategic supremacy in the region. Its alliance with the USA will become of less importance to South Korea as it becomes more important to the USA. In effect, South Korea will progressively adopt the posture of armed neutrality. It will continue to value a strong trading relationship with Australia, without allowing that relationship to colour its attitude towards Australian strategic interests. Towards those, its position will, at best, be neutral. And, in view of its growing maritime strength, including a strategically significant force of small, short-range, conventional submarines, South Korea need not necessarily adopt a permissive stance towards any Australian interest in force projection in the Sea of Japan.

**Taiwan**

At the centre of the ceiling above Sun Yat-sen’s mausoleum in Nanjing is a twelve-pointed star design that also occupies the top corner of the flag of the Republic of China (Taiwan). This relic of the old Kuomintang party, predating the Communist revolution, is a potent symbol for anyone who visits the mausoleum of Sun Yat-sen’s part in China’s political history, and that Taiwan is part of China’s territory. It is also a symbol of the paradox that Taiwan represents for China and for the rest of the world. For China, Taiwan is at once an aspiration and an irritation, a prospect and a threat, a goal and a challenge, and a continuing constraint on its ability to articulate a comprehensive, persuasive and unique vision of its place in the emerging strategic order. But most of all, it is a provocation, because although it is small, it engages the strategic support of the world’s greatest military power, the USA.

In this sense, Taiwan is a trip-wire in the much larger strategic relationship between China and the USA – a trip-
wire, however, less likely to be triggered by either of the two major protagonists than by Taiwan itself. And this is why the longer-term strategic situation is so precarious. China and the USA, like the Soviet Union and the USA during the Cold War, are almost certainly able to control their strategic relationship in a manner that manages mutual provocation and allows mutual deterrence to work. But Taiwan is able to spring surprises that undermine the inherent stability of the status quo.

In terms of both its history (where the imperial powers could interfere with impunity) and its future (where China will assert what it considers to be its rightful global role), China has no alternative but to insist on Taiwan’s place as part of a single China – the “one China” policy – while the United States has no alternative but to defend Taiwan as a thriving democracy. The big question is whether China or the USA is prepared to call the bluff of the other in extreme circumstances: will the United States really put at risk communities in the continental United States in defence of Taiwan, and will China really put at risk communities in continental China to punish Taiwan for its claims of independence? This is the central strategic dilemma.

Hitherto, the USA has been successful in moderating and constraining the more extreme positions favoured by some Taiwanese political leaders, while, for its part, China has been successful in pursuing moderate and nuanced reactions. But Taiwanese moderation cannot be assumed. As it seeks to put greater political and economic distance between itself and China, Taiwan also seeks to exploit growing social divergence, and it is this very divergence that creates the pressures on the Taiwanese leadership for independence. This, of course, has serious strategic consequences for Australia, which will be touched on in the next section of this paper.

While the temptation to independence on the part of the Taiwanese leadership creates major problems for China and the USA, it also confronts Korea and Japan with fundamental strategic dilemmas. In bolstering their own security against
Chinese pressure, Korea and Japan cannot be blind to the reasonable *quid pro quo* that the USA always expects from its strategic investments. Nor can they be neutral, since the consequent withdrawal of US protection is precisely what would put them at risk, not of invasion, but of becoming vassal states rather than buffer states.

The strategic future of North Asia is fraught. While a continuing process of accommodation with a China that is slowly redefining itself politically and strategically offers the most constructive path to the future, there are many obstacles lying ahead, not least of all China’s growing military power and an increasingly competitive relationship with both the USA and India.
THE SHAPE OF THINGS TO COME

Quantity has a quality all of its own

Stalin

In 1972, the Club of Rome published *Limits to Growth*, a call-to-arms that forecast that the combination of population growth, resource scarcity and resource over-use would precipitate a fundamental global shift in standards of living and social amenity. It was, at the time, seen by many as apocalyptic as Mr Al Gore's more recent *An Inconvenient Truth*, both essays warning that, without restraint and fundamental changes in the way the global economy works, the global community would face insurmountable difficulties. Economists, in particular, challenged the assumptions on which *Limits to Growth* made its predictions, pointing out that market forces were normally a better long-term guide to resource utilisation than were estimates of resource availability, and that technological advances were more likely to encourage economic growth than was resource shortage to constrain it. They pointed out that the green revolution in India and China had transformed population numbers from being a constraint on growth to being an engine of growth – expanding workforces generated greater production. It would appear, 35 years later, that the economists were largely correct.

Population, together with age distribution within populations (demographics), has significant strategic moment, determining both the size and shape of armed forces and the national capacity to support them. Population numbers also determine the size of the national workforce which, in turn, generates national economic strength. Table 1 illustrates both the rate of growth in significant national populations, and the disparity between the populations of leading countries in the Asia-Pacific region.
<table>
<thead>
<tr>
<th>Country</th>
<th>1950</th>
<th>2007</th>
<th>2015</th>
<th>2025</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>8.219</td>
<td>20.743</td>
<td>22.397</td>
<td>24.393</td>
<td>28.041</td>
</tr>
<tr>
<td>China</td>
<td>556.924</td>
<td>1336.317</td>
<td>1396.341</td>
<td>1454.512</td>
<td>1518.340</td>
</tr>
<tr>
<td>India</td>
<td>371.857</td>
<td>1169.016</td>
<td>1302.535</td>
<td>1447.499</td>
<td>1658.270</td>
</tr>
<tr>
<td>Indonesia</td>
<td>79.538</td>
<td>231.627</td>
<td>251.567</td>
<td>271.227</td>
<td>296.885</td>
</tr>
<tr>
<td>Iran</td>
<td>16.913</td>
<td>71.208</td>
<td>79.379</td>
<td>88.027</td>
<td>100.174</td>
</tr>
<tr>
<td>Japan</td>
<td>83.625</td>
<td>127.967</td>
<td>126.607</td>
<td>121.614</td>
<td>102.511</td>
</tr>
<tr>
<td>Malaysia</td>
<td>6.110</td>
<td>26.572</td>
<td>30.047</td>
<td>33.769</td>
<td>39.631</td>
</tr>
<tr>
<td>Pakistan</td>
<td>36.944</td>
<td>163.902</td>
<td>190.659</td>
<td>224.956</td>
<td>292.205</td>
</tr>
<tr>
<td>Russia</td>
<td>102.702</td>
<td>142.499</td>
<td>136.479</td>
<td>128.193</td>
<td>107.832</td>
</tr>
<tr>
<td>Thailand</td>
<td>20.607</td>
<td>63.884</td>
<td>66.762</td>
<td>68.803</td>
<td>67.376</td>
</tr>
<tr>
<td>Turkey</td>
<td>21.484</td>
<td>74.877</td>
<td>82.111</td>
<td>89.557</td>
<td>98.946</td>
</tr>
<tr>
<td>United States</td>
<td>157.813</td>
<td>305.826</td>
<td>329.010</td>
<td>354.930</td>
<td>402.415</td>
</tr>
<tr>
<td>Vietnam</td>
<td>27.367</td>
<td>87.375</td>
<td>96.467</td>
<td>106.357</td>
<td>119.971</td>
</tr>
</tbody>
</table>

Table 1. Rate of Growth in National Population (millions).

China and India are positioned to become population giants by 2050, both with populations greater than 1.5 billion people. Australia, by comparison, remains a population dwarf, with a population less than 2% of the population of either China or India. Population, of course, is not the whole story. The demographic structure of any given nation, over time, generates both advantages and disadvantages. Where the bulk of the population is employable, the economy tends to grow. But as any population ages, the costs associated with pensions (where they exist) and aged care may well have the net effect of shrinking the economy. Table 2 illustrates the impact of demographic change over a 100-year period.
Table 2. Projected Demographic Change Over a 100-year (Median Age). Source: UN World Population Prospects: The 2006 Revision.

By the middle of the 21st century, Japan will be on average the oldest nation in Asia, while Pakistan will be the youngest.

Future population forecasts are uncertain, though the overall direction is clear and the analysis reasonably robust. Future economic forecasts are notoriously unreliable, since the number of variables – which include exchange rates, commodity prices, terms and balance of trade, education levels, net investment rates, natural disasters and the like – and their changing impacts from time to time render any firm conclusions nugatory. But such studies that have been conducted by respected analysts agree at least on the trends. In an important study conducted in 2006, John Hawksworth, head of macroeconomics at Price Waterhouse Coopers in the UK observed that “there is no single right way to measure the relative size of emerging economies such as China and
India”. He also noted that a variety of factors would affect relativities in economic strength and performance during the next four decades. The relative youth of their working populations will enable sustained growth in countries such as India, Indonesia and Brazil, in contrast to countries that will experience declines in their working age populations, such as China, Japan and Russia.

Table 3 provides an indicative snapshot of economic growth rates over the next four decades.

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP in US$ terms</th>
<th>GDP in domestic currency or at PPPs</th>
<th>Population</th>
<th>GDP per capita at PPPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>7.6</td>
<td>5.2</td>
<td>0.8</td>
<td>4.3</td>
</tr>
<tr>
<td>Indonesia</td>
<td>7.3</td>
<td>4.8</td>
<td>0.6</td>
<td>4.2</td>
</tr>
<tr>
<td>China</td>
<td>6.3</td>
<td>3.9</td>
<td>0.1</td>
<td>3.8</td>
</tr>
<tr>
<td>Turkey</td>
<td>5.6</td>
<td>4.2</td>
<td>0.7</td>
<td>3.4</td>
</tr>
<tr>
<td>Brazil</td>
<td>5.4</td>
<td>3.9</td>
<td>0.7</td>
<td>3.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>4.8</td>
<td>3.9</td>
<td>0.6</td>
<td>3.3</td>
</tr>
<tr>
<td>Russia</td>
<td>4.6</td>
<td>2.7</td>
<td>-0.5</td>
<td>3.3</td>
</tr>
<tr>
<td>S. Korea</td>
<td>3.3</td>
<td>2.4</td>
<td>-0.1</td>
<td>2.6</td>
</tr>
<tr>
<td>Canada</td>
<td>2.6</td>
<td>2.6</td>
<td>0.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Australia</td>
<td>2.6</td>
<td>2.7</td>
<td>0.7</td>
<td>2.0</td>
</tr>
<tr>
<td>US</td>
<td>2.4</td>
<td>2.4</td>
<td>0.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Spain</td>
<td>2.3</td>
<td>2.2</td>
<td>0.0</td>
<td>2.2</td>
</tr>
</tbody>
</table>


8 As developed by the Swedish economist Karl Gustav Cassel in the 1920s, purchasing power parity is a method of equalising relative exchange rates in order to derive direct comparison between different economies – e.g. free market vs centrally planned, developed vs developing. It assumes “the law of a single price” – in an efficient market, identical commodities have identical prices.
This table reinforces the view that, within Australia’s immediate region, China, India and Indonesia are each likely to sustain high rates of growth over a long period, relative to Australia and Japan. Even Russia, with a declining and ageing population, will maintain high rates of growth as it exploits its energy and mineral resources. It is also important to bear in mind that one of the critical drivers of continued economic growth is human capital development. As technical and higher education facilities become increasingly available in countries with large populations, such as China, India and Indonesia, those countries are increasingly able to develop and produce sophisticated and adaptive technologies to support their strategic ambitions. While, as Stalin remarked, quantity has a quality all of its own, the fact is that quantity will also have increasing quality as this century unfolds.

These projected rates of growth will determine the relative sizes of the major economies as the century reaches its mid-point. These changes in relativity will have a critical impact on the ability of nations both to build their defence capacities and to expand their offensive capabilities. Table 4 illustrates how the relative economic position of major countries might look in 2050.

Table 3. Projected real growth in GDP and income per capita: 2005-50 (%pa). Source: PricewaterhouseCoopers GDP growth estimates (rounded to nearest 0.1%), population growth projections from the UN.
<table>
<thead>
<tr>
<th>Country (indices with US = 100)</th>
<th>GDP at market exchange rates in US$ terms</th>
<th>GDP in PPP terms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
<td>2050</td>
</tr>
<tr>
<td>United States</td>
<td>100</td>
<td>100</td>
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<td>Japan</td>
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<tr>
<td>China</td>
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<td>France</td>
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<tr>
<td>India</td>
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<tr>
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<tr>
<td>Mexico</td>
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<td>Turkey</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2</td>
<td>19</td>
</tr>
</tbody>
</table>

Table 4. Projected relative size of economies in 2005 and 2050 (US = 100). Source: PricewaterhouseCoopers estimates (rounded to nearest percentage point)

The message is clear: by the middle of this century, the world will see a Chinese economy that is significantly bigger than that of the USA in PPP (purchasing power parity) terms, and an Indian economy that is approximately the same size as that of the USA. This means that, with China, India, and Indonesia having economies approximately 30, 20 and three times bigger respectively than that of Australia, the global
strategic environment will be fundamentally different from that of 2007.

**Asia’s Rising Powers: China and India**

As was noted earlier, it is not possible to forecast with any certainty the shape of the global strategic environment in the mid-21st century. There are, nonetheless, three fundamental demographic, economic and political readjustments to the world’s power balance that will set the broad parameters for strategic shift over the next four decades or so.

- With respect to population and demography, by 2050, India will have overtaken China as the world’s largest national population, with over 1.6 billion people as compared with China’s 1.5 billion. Of greater significance, perhaps, will be the demographic composition of India’s population. As a result of its “one child” policy, China will have a much older population than will India, with obvious consequences for their relative economic and military performance over the longer term. The population of the USA will be in the order of 400 million, while that of Australia will be in the order of 28 million. By way of comparison, Indonesia will have a population of almost 300 million.

- With respect to economic strength, by 2050, the GDP of both China and India will be greater than that of the USA in aggregate terms. China’s GDP will exceed that of the USA by a significant margin, while India’s will be approximately the same as that of the USA. Of course, the per capita GDP of the USA, at over $US80,000 p.a. will be approximately two and a half times that of China and India – which will have continuing implications for both consumption levels in the USA and the size of the US budget deficit.

- With their huge populations, both China and India use their land forces as a means of soaking up the excess labour supply. Both expend much of their basic
training energy in teaching recruits a common language, and in establishing a common military culture. Recruitment and professionalisation remain significant problems for the US, especially in the Army and Navy.

• With respect to strategic attitude, the “passive aggression” that has characterized Chinese strategic policy for the past four centuries, and the “imperial resentment” that has marked Indian strategic policy for the past two centuries will give way to a significantly more confident and assertive approach to their respective roles as global players. China is ineluctably moving towards an assertion of strategic parity with the USA (something the USA will find difficult to accept). While India has yet to develop a strong sense of itself as a strategic entity, its renewed relationship with the USA will reinforce its sense of being “special”.

These projections are indicative rather than determinative, and are offered as the markers within which China and India will shape their capacities for strategic intervention. There are too many uncertainties attaching to both economic growth and strategic policy making to determine with any real precision the nature of the strategic complexities that might confront Australia in the middle of the 21st century. But what is understood with some clarity is that mass of itself generates real strategic options. And strategic history also suggests that powerful states are not likely to forego the advantages that might be derived from exercising those strategic options.

Both China and India are strategically ambitious. They both wish to exercise the power that comes with size and wealth, and to enjoy the recognition that, in the view of both, has long been denied to them by a dominant West and an “arrogant” USA. Not far beneath the political surface of both China and India is the resentment that drives “passive aggression” – the sullen, often hectoring, name-calling and abuse that passes for public policy, and the stonewalling inertia that is designed to frustrate the protagonist rather than resolve the problem. Both nations, however, see significant
roles for themselves as this century progresses, and both of them are determined to position themselves as major strategic players.

**India**

India will remain a democracy, albeit with a range of ethnicities and cultures that will continue to colour Indian strategic thinking with a strong measure of self-absorption. Put simply, to maintain the integrity of the state, successive Indian governments, no matter what their political complexion might be, will continue to retain strong land force capabilities both to manage India’s security concerns with its borders and to sanction any interest in local secessionism. India will also remain deeply focused on its tense relationship with Pakistan. For younger generation Indians, Pakistan is seen as “the enemy”.

At the same time, India is pressing ahead with a substantial expansion of its maritime forces. It has well developed plans for a three aircraft carrier surface fleet to give it the ability, for the first time, to project power beyond its immediate sphere of influence and to exercise a capacity for “blue water” intervention. Moreover, it has announced plans to acquire six Scorpene class SSG submarines from France, and is proceeding with arrangements to lease two Akula class SSN submarines from Russia. According to a former Chief of the Indian Navy, it is India’s intention to build its submarine fleet to 24 vessels.

At the same time, its rapidly expanding economy will afford India the opportunity to develop its sea and air forces across the board, not just in the interests of the defence of the sub-continent against possible Pakistani, Chinese or even Iranian aggression but as part of a long held ambition to project power. In the simplest terms, India will respond to any Chinese power projection or pressure on its natural resources (in particular, any attempt by China to divert water from the Himalayan watershed) through land and air forces in the Himalayas and naval forces in the Sea of Japan. As noted
above, India will meet power projection through power projection.

**China**

In many respects, China’s strategic position, like its long-term strategic history, is similar to that of India. As a traditional continental power, China is preoccupied with maintaining the internal cohesion of the state and protecting the integrity of its borders. So its armed forces will continue to emphasise the role of the land force, particularly as a means of asserting the will of Beijing over dissenters or secessionists, as was seen in the Tiananmen Square operations in 1989. This dual focus – the maintenance of internal cohesion and defence against external threat – will continue to be reinforced by the current practice of maintaining a Han Chinese military leadership but a non-Han rank and file. “One China” remains the Holy Grail of Chinese strategy, placing continuing tension in its relationship with the US concerning Taiwan. While the younger generation Chinese no longer see Taiwan as “the enemy”, Chinese governments will continue to press for the incorporation of Taiwan.

Like India, China’s rapidly expanding economic strength is already providing it with the means to building a strategic aerospace and maritime capacity. Its historical experience with Japan provides a continuing stimulus to acquire an overwhelming sea control and sea denial capability that would allow it to dominate not only its own strategic approaches in the Sea of Japan but also Japan’s strategic approaches in the North Pacific. And, as was seen above, it is likely to have those capacities in place by the middle of the 21st century, as well as the ability to threaten India, the USA and even Australia with ICBMs and other long-range missiles. These developments are at the heart of a global change in the strategic balance, extending beyond the Pacific to wherever China’s interests might be engaged.

But perhaps the most significant change to China’s strategic position is the consequence of the Chinese
leadership’s evident transition from a policy of “passive aggression”, a form of strategic inertia that forces the adversary’s hand\(^9\) to one of greater assertiveness. The net effect of this transition is to impose significantly greater constraints on the freedom to manoeuvre strategically by Japan, the Republic of Korea and Taiwan while simultaneously reducing the constraints on China to confront the USA directly. And, over the next four decades, China’s ability (and confidence) to “take the USA on” will grow, imposing increasingly complex strategic consequences for the USA and its allies in north Asia.

From the global balance of power perspective, the strategic calculus is relatively straightforward: as China’s ability to confront the USA directly reaches its tipping point around the middle of the 21st century, the probability of strategic confrontation between them increases. This is the critical issue that Australian defence planners must address in the decades to come. And the decision boundaries are clear: Australia either opts for some form of armed neutrality (armed, because it would still need to be able to defend against aggression; neutral, because it would not wish to be caught up in a China-USA confrontation) or it works with its traditional ally to ensure that global strategic leadership remains with democratic liberalism. Either way, however, the consequences for Australia’s force structure planners remain the same: Australia will need to be able to conduct defensive strategic strike.

\(^9\) Perhaps the clearest example of this approach at work in recent years was China’s inept handling of the collision between a PLA(AF) J-811M and a USN EP-3E near Hainan on 1 April 2001. Notwithstanding an apology from US Ambassador Prueher (former CINCPAC) for the death of the Chinese fighter pilot and the intrusion of the EP3 into Chinese airspace, the US continued to prosecute tactical SIGINT missions against mainland China, and continues to prosecute such missions.
The Relative Position of the USA

While the growth rates of China and India are impressive, they are both starting from a relatively low base, and even though their gross GDP will surpass that of the United States by 2050, the per capital GDP of the USA will be almost three times that of China or India by 2050. The USA will continue to sustain the most powerful sea, land and air forces in the world, and will continue to apply its advanced technological and industrial capacities to the demands of national defence and global military intervention wherever its interests are affected.

By 2050, the USA will have developed and fielded an integrated national missile defence system, a system that, because of its space-based technologies, will permit effective missile defence for its allies (Australia, Japan and the Republic of Korea, as well as Taiwan). This formidable defensive capacity will mean that the USA will continue to enjoy global military dominance, notwithstanding the power projection capacities of China, India and Russia. But the surface naval dominance it has enjoyed in the Pacific since the end of World War II will have eroded significantly by 2050, thereby placing greater emphasis on its submarine capabilities in the conduct of naval operations. And it can be anticipated that the US Navy will continue to place highly specialized and unique operational demands on its allies in the conduct of submarine warfare.

Given its inherent robustness and adaptability, the USA can also be expected to embark upon a more flexible and subtle approach to securing its global interests without necessarily relying on the use of its armed forces. Already leading US thinkers and practitioners are calling for the development of “smart power” to integrate the “soft” and “hard” power dynamics of US policy.\(^\text{10}\)

\(^{10}\) See the CSIS Commission on Smart Power (Washington: CSIS, pre-publication draft 2007), particularly the essay by Richard L. Armitage and Joseph S. Nye Jr, “How America can become a Smarter Power”, pp. 5-14. Armitage and Nye call for a new diplomacy that maintains alliances and builds
In all of this, it will remain very much in the strategic interests of both the USA and Australia to maintain a vigorous alliance. Community of fundamental values will continue to support a unity of strategic interest in the maintenance of regional peace and stability, the maintenance of a capacity to deter aggression, and the maintenance of a capacity to respond decisively to aggression should it occur.

**Other Possible Discontinuities**

China, India and the US will dominate the global strategic environment as that environment continues to evolve during the next four decades or so. But there are several additional factors that could impact dramatically on global stability and, in consequence, Australia’s strategic security.

Iran’s acquisition of a nuclear weapons capability and a missile delivery system, were it to occur, could totally re-shape the strategic balance of the Middle East, with profound and unpredictable consequences. Israel, in particular, would find itself in dire strategic peril and, were it to resort to strategic pre-emption, the consequences would be catastrophic and far-reaching. With its substantial energy resources, rapidly growing population and burgeoning ambition, Iran may find itself tempted to assume strategic dominance in central Asia, unleashing sectarian and political forces with catastrophic consequences. And for as long as the US pursues a foreign policy of disengagement with Iran and a strategic policy of pre-emptive sabre-rattling, the chances of such an outcome are increased.

Pakistan could continue to spiral into political chaos as it attempts to deal with the inherent contradictions between Islamic totalitarianism and democratic liberalism and, were Islamic totalitarianism to prevail, find itself in prolonged conflict with India, thereby raising the spectre of a nuclear exchange. And all the while, just below the surface in a youthful,
alienated and fundamentalist Pakistan, the breeding ground for terrorism will remain active.

Indeed, from Afghanistan to Algeria, support for terrorist groups will, in all probability, continue to grow. While western military forces will need to remain in Afghanistan for decades if the Taliban is to be defeated, and the reconstruction of Iraq will take about as long, the income from Afghani poppy crops and Middle Eastern oil will enable terrorist groups to grow and morph virtually without restraint. So the strategic outlook for the western liberal democracies is bleak: China and India will reshape the global strategic environment, and simultaneously the Middle East and central Asia will provide the cash and the cannon-fodder for a continuing assault on western values.

And then there is Russia. With its economy growing on the back of the energy and minerals boom, Russia is beginning to recover the ground lost following the collapse of the Soviet Union and the Soviet bloc. With newfound confidence, it is increasingly playing a “spoiling” role in the conduct of international affairs, playing off the differences between the US and its European allies, while warning its former satellites of the dangers they might face if they allow NATO to position its theatre weapons close to its borders. It is also reinvesting in its armaments industries, increasing both the volume and capability of the weapons systems it is prepared to sell, including into South East Asia. And it is rebuilding its own strategic forces, especially its navy. Militarily, Russia is still a force to be reckoned with, and is set to become a formidable player in the north Pacific as it seeks to ensure the integrity of its eastern and southern borders.

But it also confronts serious internal problems. The early promise of greater political freedom and participative democracy is under pressure as a result of a combination of power politics and increasing lawlessness. There are growing indications of a return to the sort of authoritarianism that Russia has traditionally endured, whether under the Czars or under the Communists. This, together with demographic factors that combine an ageing population with a progressive
decline in numbers, pressures along its Asian borders and civil unrest in Chechnya and incipient independence movements in other parts of the Russian Federation (notably Armenia and Georgia), may suggest a measure of internal instability provoking strong security responses from Moscow. As it was for most of the 20th century, so in the 21st century Russia will remain a key actor in global security affairs.

As these strategic forces continue to reshape global security prospects, there are three additional factors that could contribute to an eventual strategic catastrophe. First, declining energy reserves and climbing energy prices could combine to slow the world economy while adding to the risk of conflict between states as they vie for energy security. Second, access to and long-term supply of potable water is an accelerating problem for all the countries of the Middle East and central Asia, as it is for India and China. And third, global warming has the potential for massive population displacement in Bangladesh, China, India and Indonesia, as well as the small and weak nations of the Pacific. For Australia, as for the global community in general, the strategic outlook is sobering.
NEW POWER, NEW OPTIONS

The more clear the vision of the future, the more powerful the tool of destruction.

Mikhail Bakunin

The end of China’s Cultural Revolution marked the beginning of one of the greatest economic expansions in history. For, in most respects, globalisation in the 20th century is synonymous with China’s economic growth. In the space of a single generation, China left famine and plague behind and achieved the first goal of Mao’s long-term strategy for China: the ability to feed its people. In the past 25 years, China has gone ahead to build a consumer society, but one that produces considerably more than it consumes. Most significantly from the point of view of this essay, however, China has acquired power.

The Chinese government maintains high levels of central control over both the political life of China and its economy. While it is no longer a “centrally planned economy” in the classical sense, the central government continues to function as an economic gatekeeper, widening and narrowing the “open door” policy as circumstances dictate. Similarly, it maintains tight controls over the access of its citizens to communication with the global community (especially via the Internet) while it sends increasing numbers of its students to foreign universities to study science, engineering and business. Its investment in human capital growth reflects a consistent policy of economic and political power growth.

As China’s economic strength has increased, so too has its diplomatic and military impact expanded. China’s tentative and cautious diplomacy that marked the early 80s, for instance, has given way to a significantly more confident and assertive diplomacy that takes Chinese missions to every corner of the globe in search of both economic resources and political influence. Its military misadventure in Vietnam in 1979
was in most respects an aberration: China has pursued a
careful diplomacy over the past quarter century that has been
carefully calibrated to achieve its strategic aim – the creation
of position and the establishment of influence. And in this
China’s skill has been matched by its assiduity.

Most importantly, China has succeeded in having its
legitimacy and authority recognized in Asia. The visits in 1972
by President Nixon and Mr Whitlam (then soon to become
Prime Minister of Australia) began a process that has seen
China emerge not only as the dominant power in Asia, but
also a power to which the Asian region looks at least for
acknowledgement, if not yet for leadership. This is, in large
measure, a result of its policy of “pre-emptive accommodation”
whereby it holds out the offer of economic and political
advantage as it becomes richer and more powerful in return
for non-alignment or neutrality with respect to “other” major
powers (that is, the USA). In South East Asia, only Singapore
has successfully resisted this approach, in that it retains a
strong defence relationship with the USA and continues to
welcome USA aircraft carriers into the port of Singapore.

Nor should anyone underestimate the success of China’s
diplomacy in respect of Australia. China has not sought to
attack the alliance with the USA, or to penalise Australia for its
ongoing defence relationship with the USA. It most certainly
recognises that such an approach would be counterproductive, serving only to strengthen the Australia-US
relationship. Rather, China has succeeded in creating a policy
tension for Australia, where successive governments have
been forced to deal with the consequences of the burgeoning
economic relationship with China, and Australia’s increasing
dependence on China’s resource demands for its own
economic wellbeing, on the one hand, and the continuing need
for a security relationship with China’s principal power rival,
the USA. While leading Australian politicians continue to claim
that Australia will not need to make a choice between its past
and its future, senior US officials constantly remind Australia
that, in the event of a clash between the USA and China, they
would expect Australia’s support. One can assume that the policy planners in Beijing enjoy watching Australia’s dilemma.

Since 2000, China has embarked on a significant maritime force expansion. It has acquired two Sovremenny class destroyers, plus five additional destroyers based on a domestic design and two guided missile frigates. The expansion of its submarine fleet has been even more spectacular. By 2010, the PLA(N) will have acquired two nuclear attack submarines, one strategic nuclear missile submarine, one newly designed conventional submarine (Yuan class) and four Song class submarines. In addition, four more Russian-made Kilo submarines will come into service over the next few years. These acquisitions have substantially enhanced the ability of the PLA(N) submarine fleet, previously consisting of noisy and accident-prone vessels of Soviet origins, to project power against any navy operating in its maritime approaches. And while one must be careful not to exaggerate its significance, it is important to recall that in October 2006 a Chinese submarine surfaced about 5NM from the USS Kitty Hawk as it was exercising near Okinawa.

India, too, has transformed itself from an agrarian relic of the British Empire into an industrial society that boasts the biggest middle class in the world, some 350 million people. As Indian society has transformed, so too have its aspirations. India now sees itself as playing a pivotal role in the affairs of Asia and as occupying a rightful place at the international top table.

Different from China, India has pursued a less mercantilist and activist diplomacy. In many respects, India seems to yearn for recognition rather than the exercise of power for its own sake. Its fixation on permanent membership of the Security Council – which would make good sense in the post-Cold War world – masks a measure of irritation and frustration at a world that largely fails to recognise the power of its

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11 Cf. for example, Mr Richard Armitage’s remarks at the Australian-American Leadership Dialogue, Sydney, August 2001 as subsequently reported by the Australian Broadcasting Commission (Lateline Transcript, 17 August 2001).
culture, the richness of its history and its success in becoming the world’s largest democracy. Nonetheless, India is not prepared simply to fall victim to its own disappointment. Rather, it will construct the symbols of power, a strong economy and a strong military, and force the world to give it the attention that it seeks.

Over the past two decades, India has slowly expanded its strategic reach. In 1985, it commissioned its first naval air station in the Andaman and Nicobar Islands, and in late 2001 India established a joint Andaman and Nicobar Command to give its Eastern Command, centred on Vizag (Vishakapatnam), greater strategic reach across the Bay of Bengal and into the Malacca Straits. Similarly, the Western Command, based in Mumbai, has facilities in the Laccadive Islands to enhance its operational reach into the Arabian Sea. There has been recent speculation that the Government of India is considering the establishment of facilities on the Agalega Islands, some 425NM northeast of Madagascar, to support expanded maritime surveillance in the western and southern areas of the Indian Ocean.\footnote{See Steven J. Forsberg, “India Stretches its Sea Legs”, Proceedings of the US Naval Institute, March 2007, pp. 38-42.} While the development of the Indian navy has been slow, its burgeoning economy is now capable of supporting the expansion in maritime power that is synonymous with national strategic power. As Steven J. Forsberg has commented, “India’s sometimes slow but generally systematic growth is a sign of maturity more than a symptom of ineffectiveness – India is thinking ahead”\footnote{Ibid., p. 38.}.

It is important that Australia understands that China and India entertain quite different attitudes towards Australia and Australians. For China, Australia is a remote, luxuriously endowed and somewhat curious land whose geographical size and economic success demands respect. Australians are seen as open, friendly and somewhat naïve people whose good fortune saves them from having to struggle for much. It is precisely this complacency that China’s diplomacy seeks to

\footnote{\textsuperscript{12} See Steven J. Forsberg, “India Stretches its Sea Legs”, Proceedings of the US Naval Institute, March 2007, pp. 38-42. \textsuperscript{13} Ibid., p. 38.}
exploit. For India, on the other hand, Australians are often seen as brash, over confident, boisterous, culturally insensitive and implicitly racist. It is not that Indian nationals simply dislike being defeated in cricket or hockey: it is the fact that sport is such a defining element in the relationship between the two countries, and that defeat comes at the hands of a people of convict ancestry, that offends so many educated (that is, higher caste) Indians. 14

Australia is fortunate to have an outstanding and highly professional diplomatic service. The problem for Australia is the widespread lack of knowledge of the cultural dynamics of China and India – their heritage, their language and literature, their art and, in terms of strategic planning, the remarkable scientific advances both nations have made in the past three decades. Both are nuclear weapon states, with missile systems and an industrial capacity to design and build advanced weapons systems. Popular images of crowded cities, inadequate sanitation and ancient agricultural practices belie the scientific and technological sophistication of both countries.

It has been fashionable for some strategic thinkers to ponder the question whether technological advances drive strategy, or vice versa. Barnes Wallis’s inventions and the Manhattan Project evidently grew out of the circumstances of war, as indeed the Internet grew out of the need for better and faster defence communications. The fact is, however, that technological development and strategy are dynamically linked: strategy demands new solutions, and technology provides new and often unimaginable strategic options. This is certainly the case with respect to China and India.

14 The author is well aware of the risks of generalisation and stereotype that may colour one nation’s view of another. Academic and professional contacts with both nations covering four decades have certainly revealed the tremendous pleasure that Chinese and Indian academic and professional leaders derive from their contacts with their Australian counterparts from universities, government departments, courts, industry and professional bodies. But instances of insensitivity and boorish behaviour tend to impact more heavily on Australia’s image than does the urbanity of its political and cultural leaders.
Just how complex the strategic choices for Australia might be during the next 40 years can be seen in the following table, which aligns (indicatively) China’s and India’s strategic policy focus and the capability development focus through to the year 2050\textsuperscript{15}.

<table>
<thead>
<tr>
<th>Strategic Policy Focus</th>
<th>Capability Development Focus</th>
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<tbody>
<tr>
<td>2020</td>
<td>2050</td>
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<tr>
<td>CHINA</td>
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<tr>
<td>Maritime force projection in the North Pacific and South China Sea; regional land dominance</td>
<td>Integrated land/sea/air dominance in the Asian theatre</td>
</tr>
<tr>
<td>Integrated land/sea/air dominance in the Asian theatre</td>
<td>Maritime force projection (carriers, SSN, SSBM), strategic and tactical nuclear weapons</td>
</tr>
<tr>
<td>Integrated land/sea/air force projection, strategic and tactical nuclear weapons, missile defence</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>2050</td>
</tr>
<tr>
<td>INDIA</td>
<td></td>
</tr>
<tr>
<td>Maritime force projection in the Indian Ocean, Arabian Sea, Bay of Bengal; regional land dominance</td>
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</tr>
<tr>
<td>Integrated land/sea/air force projection, strategic and tactical nuclear weapons, missile defence</td>
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</table>

Table 5. Strategic Policy and Capability Development Focus to 2050—China and India.

Over the next four decades, both China and India will develop military capabilities that will substantially outweigh those of Australia. This is not to suggest that either or both countries will employ those capabilities against Australia or its interests. What it does suggest, however, is that were any

\textsuperscript{15} This table was derived following an extensive survey of the available technical literature. While there is a considerable amount of published material concerning both India’s hopes and ambitions, China’s intentions are significantly less transparent. Consequently, the strategy/capability alignments illustrated in this diagram are indicative.
issue to arise that might lead either of them to consider a military intervention, they will certainly have the capacity to intervene at long distances from their shores.

Both China and India pursue conservative strategic policies. Both are continental powers whose traditional military focus has been the maintenance of unity and security within their borders, and both have tended to rely on massive land forces to deter any military adventurism by neighbouring states. Those land forces, of course, are principally charged with ensuring that any centrifugal political forces can be dealt with quickly: witness India’s preoccupation with Kashmir and China’s harsh crackdown on dissidents in 1989. Both will continue to invest in large standing armies. But as the past 25 years have amply demonstrated, China and India have expanded their maritime and air forces beyond the needs of littoral defence to the point where both are increasingly able to project power over considerable distances.

However, the respective policy settings and force dispositions of China and India might eventually turn out, the global strategic environment of 2050 will be extraordinarily complex, due mainly to the competitive forces operating between them, driven in part by the similarities between their relative strategic priorities.

Both China and India will seek to exploit their strategic differentiation from the USA, and from each other. But the similarity of their strategic objectives and generic capabilities will create significant opportunities for misapprehension and misadventure. The size, reach and structure of their respective forces will reinforce the attrition model of warfare, as distinct from the more current manoeuvre model pursued by the USA and, relative strengths taken into account, Australia. This will in fact afford India and China much less flexibility in dealing with each other at the strategic level, and will probably favour head-to-head “stare downs” rather than strategic finesse and adroitness.
Over the next four decades, however, the USA will retain pre-eminent strategic capabilities. As the following table demonstrates, the USA will maintain its dominant strategic position in the Pacific, while substantially enhancing its ability to defend the continental USA from missile attack. While it will by no means be invulnerable, the USA will be able both to project substantial strategic force globally while denying potential adversaries the ability to attack the USA directly by conventional or nuclear forces. It will, of course, remain vulnerable to terrorist attack both domestically and internationally, though its intelligence and counter-measures will continue to improve substantially over the same time period. The following table illustrates the alignment between the strategic policy focus of the USA and its military capability focus between 2020 and 2050.

<table>
<thead>
<tr>
<th>Strategic Policy Focus</th>
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<tbody>
<tr>
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<tr>
<td>USA</td>
<td>Global force projection, integrated land/sea/air dominance</td>
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Table 6. Strategic Policy and Capability Development Focus to 2050—United States.

But perhaps the most important issue for the USA over the next four decades is how it develops its strategic posture, and how it might propose to employ military force in support of its foreign policy. Hitherto, conventional military forces have not proved to be effective against terrorist groups, yet the USA remains deeply committed in both Afghanistan and Iraq. Whether the USA decides to invest more of its political capital in bilateral and multilateral diplomacy, relying less on its military power to determine the outcomes it seeks, it will retain formidable abilities to deter and defeat potential adversaries. And that is a matter that Australian policy must accommodate.
US strategic policy has undergone a substantial evolution during President Bush’s administration. The USA has articulated a “find, fix and finish” policy for combat operations against new and elusive enemies, including terrorist groups. It has also embarked on an ambitious program to improve the fusion of intelligence and action plans that can be executed in real time, and refocused the total energy of the US Defense Department on warfighting capability. Current US policy recognises that success will continue to depend on the dedication, professionalism and combat skill of an all-volunteer force.

The 2006 Quadrennial Defense Review set out in detail the directions of the US defence transformation. It acknowledges that the characteristics of the strategic environment facing the US in coming decades are radically different from that of the 20th century. It acknowledges that the US is already engaged in a “long war”:

. . . a war that is irregular in its nature. The enemies in this war are not traditional conventional military forces but rather dispersed, global terrorist networks that exploit Islam to advance radical political aims. These enemies have the avowed aim of acquiring and using nuclear and biological weapons to murder hundreds of thousands of Americans and others around the world. They use terror, propaganda and indiscriminate violence in an attempt to subjugate the Muslim world under a radical theocratic tyranny while seeking to perpetuate conflict with the United States and its allies and partners. This war requires the U.S. military to adopt unconventional and indirect approaches. Currently, Iraq and Afghanistan are crucial battlegrounds, but the struggle extends far beyond their borders. With its allies and partners, the United States must be prepared to wage this war in many locations simultaneously and for some years to come. As the Department of Defense works to defeat these enemies, it must also remain vigilant in an era of surprise and uncertainty and prepare to prevent, deter or defeat a wider range of asymmetric threats.\(^\text{16}\)

The 2006 Quadrennial Defense Review charts the redirection of US strategic focus from conventional warfare between nation-states (the experience of the 20th century) to both conventional warfare between nation-states and unconventional warfare between nation-states and sub-state groupings, including terrorist organisations. This redirection is illustrated in Table 7.\(^{17}\) This table summarises the elements set out in the 2006 Quadrennial Defense Review, The significant new directions in US policy are highlighted.

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<th>From</th>
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<tbody>
<tr>
<td>Peacetime tempo</td>
<td>Wartime sense of urgency</td>
<td>Individual Service concepts of operations</td>
<td>Joint and combined operations</td>
</tr>
<tr>
<td>Reasonable predictability</td>
<td>Surprise and uncertainty</td>
<td>Forces that need to deconflict</td>
<td>Integrated, inter-dependent forces</td>
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<tr>
<td>Single-focused threats</td>
<td>Multiple, complex challenges</td>
<td>Exposed forces forward</td>
<td>Reach-back to CONUS</td>
</tr>
<tr>
<td>Nation-state threats</td>
<td>Decentralized network threats from non-States</td>
<td>Platform emphasis</td>
<td>Timely intelligence, information and knowledge</td>
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<tr>
<td>Conduct of war against nations</td>
<td>Operations against “safe havens”</td>
<td>Massing forces</td>
<td>Massing effects</td>
</tr>
<tr>
<td>“One size fits all” deterrence</td>
<td><strong>Tailored deterrence for rogue powers, terrorist groups and near-peers</strong></td>
<td>Set-piece manoeuvre and mass</td>
<td>Agility and precision</td>
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<tr>
<td>Post-crisis reaction</td>
<td>Preventive actions</td>
<td>Single Service acquisition systems</td>
<td>Joint portfolio management</td>
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<tr>
<td>Crisis response</td>
<td>Shaping the future</td>
<td>Broad-based industrial mobilization</td>
<td>Targeted commercial solutions</td>
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<tr>
<td>Threat-based planning</td>
<td>Capabilities-based planning</td>
<td>Service and agency intelligence</td>
<td>Joint Information Operations Centres</td>
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<tr>
<td>Peacetime planning</td>
<td>Rapid adaptive planning</td>
<td>Stovepipes</td>
<td>Matrix</td>
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<tr>
<td>Focus on kinetics</td>
<td>Focus on effects</td>
<td>Moving the user to the data</td>
<td>Moving the data to the user</td>
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<tr>
<td>20th century processes</td>
<td>21st century integrated processes</td>
<td>Fragmented homeland assistance</td>
<td>Integrated homeland security</td>
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<tr>
<td>Static defence (garrison forces)</td>
<td>Mobile expeditionary forces</td>
<td>Static Alliances</td>
<td>Dynamic Partnerships</td>
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<tr>
<td>Hollow Units</td>
<td>Combat ready units</td>
<td>Predetermined force packages</td>
<td>Tailored, flexible forces</td>
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<tr>
<td>Battle-ready force (peace)</td>
<td>Battle-hardened force (war)</td>
<td>US “go alone”</td>
<td>Building partner capabilities</td>
</tr>
<tr>
<td>Large institutional forces (tail)</td>
<td>More powerful operational forces (teeth)</td>
<td>Static post-operations analysis</td>
<td>Dynamic diagnostics</td>
</tr>
<tr>
<td>Major conventional combat operations</td>
<td>Multiple irregular, asymmetric operations</td>
<td>Focus on inputs (efforts)</td>
<td>Tracking outputs (results)</td>
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<td></td>
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<td>Department of Defense solutions</td>
<td>Interagency approaches (Whole of Government)</td>
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No one should underestimate the significance of this reorientation in the strategic purpose and direction of the USA. Although future US Presidents may well choose to pursue less interventionist foreign policies as they adjust the diplomatic and strategic practice of the USA in response to the imbroglio it currently faces in Iraq, the Bush Administration’s Pentagon has ensured that the USA will continue to enjoy military force dominance and all the options for the employment of military power such dominance brings with it.
With its formidable organisational and planning capabilities, the USA is uniquely able to mount and deploy strategic forces that can respond decisively to emergent threats and defeat would-be aggressors. This will serve to constrain attempts by any power to realise its strategic ambitions through the use of armed force. But, as the war in Iraq has amply demonstrated, massive military power is of limited utility when non-state actors apply terrorist tactics against states, and where the perpetrators can preserve their anonymity by simply disappearing into the civilian population.
THE THINGS WORTH FIGHTING FOR

There are more things in heaven and earth, Horatio,
Than are dreamt of in your philosophy.

Hamlet, 1 v

For most of the 20th century, public expressions of Australian strategic and defence policy have centred on defending Australia’s sovereignty against armed aggression and, more recently, on promoting Australia’s security interests through the judicious employment of the ADF. Whether the mantra of the day has been Defence of Australia or Defending Australia and its Interests, the realities of Australia’s strategic geography have tended to capture both the political and popular imagination. Fighting for hearth and kin has immense emotional appeal. But the profound strategic changes that were set in train by the fall of the Soviet Union and the end of the Cold War have forced strategic planners to recognise that wars over territorial expansion, the capture of natural resources or the subordination of neighbouring states are, on balance, less likely than conflicts driven by ideology. It is not that territorial defence has become less important. Rather, it is that it has become more complicated because the motivating factors are more complex.

The bombing and destruction of the World Trade Centre in New York on 11 September 2001 was a stark symbol of the new strategic age into which the world has entered. But of itself, the calculated and well executed act of terrorism that killed nearly 3000 people and profoundly altered the lives of countless more did not cause the shift in the international strategic paradigm, any more than Gavrilo Princep’s murder of the Archduke Ferdinand on 28 June 1914 caused the cataclysm of the First World War. Both events are symbolically powerful, however, since both suggest a moment in time when

18 See, for example, Paul Dibb, Review of Australia’s Defence Capabilities: Report to the Minister for Defence, 1986.

19 See, for example, Defence White Paper 2000.
the international community suddenly recognized that a familiar world had changed fundamentally, and that its successor was at once unfamiliar, unpredictable and frightening.

The great strategic shifts that mark the passage of history are seldom linear. They are inherently discontinuous and usually catastrophic. The huge rebalances that saw empires rise and fall, nations come and go, and wars of appalling brutality, were precipitated by political, economic, social, cultural, demographic and technological changes the consequences of which were largely unforeseen but not totally unforeseeable. For the acquisition of economic power and political position by the liberal democracies not only established them as the strategic leaders of the 20th century, but at the same time represented an overwhelming repudiation of the values that support any form of totalitarianism – whether fascist, communist or sectarian.

Of course, democratic liberalism did not appear at the whim of political idealists. Europe’s experience during the Forty Years War that dominated the first half of the 17th century brought home the futility of reckless slaughter and brutality in the name of religious ideology – in that case, between Catholics and Protestants. The Treaty of Westphalia brought religious war in Europe to an end. But, more importantly, it established the principle of the separation of Church and State – a political principle that in turn afforded citizens the right to practise whatever religion they wished without the interference of the state. While this principle took some time to work its way through political organisation, legislation and electoral franchise, it is one of the key foundations of the modern secular state and the principles it espouses are at the core of democratic liberalism. But where religious ideology in fact defines the state – as in the various

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20 For an outstanding analysis of the "largely unforeseen but not totally unforeseeable" outcomes of war, see Kenneth J. Hagan and Ian J. Bickerton, Unintended Consequences (London: Reaktion Books, 2007). Hagan and Bickerton survey ten wars involving the USA, from the War of Independence to the War against Iraq. Their study makes sobering reading.
Strategic Tides

Islamic republics that demarcate the strategic geography of North Africa, the Middle East, central Asia and even parts of South East Asia (for example, Brunei Darussalam) – democratic liberalism cannot co-exist. The totalitarian nature of such governments is unable to sanction the basic freedoms that define democratic liberalism.

Yet, for the religious totalitarians, democratic liberalism challenges the central tenets of their religious ideology because it denies the validity, and certainly the desirability, of a mono-cultural world. Consequently, religious totalitarians are unable to accept religious or philosophical diversity, or any form of political pluralism. And where the forces of poverty, associated unemployment and social alienation combine with youth and hopelessness, potent forces may be unleashed that attack the very fabric of democratic liberalism. This, in some respects, demonstrates the fundamental paradox of democratic liberalism: the extension of the rule of law and the associated fundamental freedoms to all citizens provides exactly the open and porous social structures that permit terrorist acts to occur relatively easily, and reveals the vulnerability to sectarian actions that lie outside the conventional paradigm of war between States. In other words, the Westphalian system that established the basic ground rules on which the community of nations currently operates (the UN Charter, the various international conventions – such as the International convention on Human Rights – and so on) does not comprehend the need to deal with ideologically driven groups falling outside the control of any given state.

21 It should be recognised that religious totalitarianism depends on the idea that all human action is absolutely subject to the will and power of God, who not only knows and directs “the innermost thoughts of men”, but actually prescribes the course and rules of all human action. While it is not the only form of religious totalitarianism, fundamentalist Islam is currently the most virulent form of absolutism by virtue of both its numbers (by some accounts, there are well over 100 million active adherents) and, more significantly, by virtue of the fact that armed violence and acts of terror are ordained and sanctioned by Allah. Consequently, for fundamentalist Islam, random acts of violence against “infidels” are not only morally justified; but they are moral imperatives.
A critical consequence of this attack on the established principles that legitimise the global strategic order is an accelerating loss of confidence in the institutions that regulate the global strategic order – the UN, the UN Security Council, the WTO, the World Bank – and a growing interest in finding alternative international institutions while, at the same time, reinforcing bilateral security and trading arrangements as an insurance against the failure of the multilateral organisations. Agility in national policy setting and ambiguity in its practice have become a necessary response to complexity.

The clash of values, and especially the use of terrorism as a form of asymmetric warfare against the liberal democracies, constitutes a new and potent threat to the security of states, the more so because the tools of conventional warfare and the use of armed force by states are not, of themselves, sufficient to defeat the threat. While a combination of intelligence, law enforcement, legislation, judicial process, barrier management and preventive measures and, in very particular circumstances, military force will serve to quarantine the problem, it will not provide a cure. The cure will come from the political will of the liberal democracies, acting in concert, to offer a vision for human development and social prosperity that confronts and destroys the essential pessimism of the religious totalitarian view. Part of that confrontation and destruction will demand the political will to employ targeted intelligence assets and force elements to find and remove any armed groups that either train terrorists or launch terrorist attacks and, most importantly, to interdict their supply of clandestine funds that constitutes their lifeblood.

It is not the purpose of this paper to offer an opinion on whether the liberal democracies demonstrate such political will or resolve at this time. Rather, it is to identify the dynamics of the strategic environment within which such political will and resolve may be needed. As the 21st century unfolds, the clash of values will impose demands on governments unlike any that they have experienced previously. It is less a “paradigm shift” away from the traditional principles of armed conflict than a
“paradigm evolution” that accommodates new sources of armed conflict, new forms of war fighting and asymmetric warfare, and recognizes the need for new approaches to the employment and deployment of lethal force in the defence of the nation and its way of life.

It is important to identify two additional features of the strategic environment as it is conditioned by the clash of values.

First, fundamentalist groups that seek to employ terrorism against the values and citizens of the liberal democracies must be identified, located and destroyed. In this, the West has no option. Whether such groups operate within the territory of a favourably disposed state (such as the Taliban in Afghanistan prior to 2002, or resurgent Taliban in present-day Afghanistan) or whether they operate in the territory of a state that is unable to contain them (such as al-Qaeda in Iraq and Pakistan, the Taliban in Afghanistan in 2006, Abu Sayyaf in the Philippines or, perhaps, Jema’ah Islamiyah in Indonesia) the liberal democracies have no strategic option but to pursue and destroy them. Accordingly, even in the ambiguous and discontinuous circumstances of a clash of values such as distinguish the current and prospective global strategic order, the liberal democracies will need to retain the ability to search and destroy, while at the same time pursuing the traditional forms of political and diplomatic pressure. It is a matter of strategic necessity that the capacity for national and coalition operations such as Enduring Freedom (Afghanistan) and Freedom Eagle (the Philippines) will remain a critical element in national defence planning.

Second, as was evident at various times in the 20th century, the use of terrorist groups either as proxies or as mercenaries will remain a significant military option for states opposed to the liberal democracies. While state-sponsored terrorism will remain an option for such states, the costs can be high – as both Libya and the Soviet Union discovered to their cost. But as the recent actions of both Iran and Syria have amply demonstrated, the exploitation of terrorist groups
on an opportunistic basis will continue to pose significant and difficult security risks for the liberal democracies.

In important respects, terrorism operates at the interface between the clash of values and the antagonism that traditionally defines relations between states pursuing opposing political and strategic objectives. States, particularly those that subscribe to political principles opposed to democracy and individual rights, will continue to exploit opportunistically the potential that always exists for destabilizing the security of their opponents by supporting instability on their opponents’ borders. This may extend to support for groups that espouse terrorism. For Australia, the political, economic and institutional fragility that characterises most of the states in its immediate neighbourhood raises the double-headed spectre of large-scale domestic violence in those states fomented by external interference.

But what are the values that distinguish the Australian community, and what is it that Australia must defend at any cost? Indeed, does Australia have a unifying set of values?

From the Boer War, which ended in 1902, to the INTERFET deployment in 1999, Australian defence forces were deployed to various parts of the world for much of the 20th century. While the mass Australian deployments in the first and second AIFs were driven as much by individual sentiment as by government policy, those two motive forces combined around fundamental values – liberty, freedom from foreign oppression, defence of national honour, comradeship, the rights of individuals against tyranny.

Unlike a number of the great democracies, Australia has not suffered the oppression of tyranny or the calamity of civil war, and consequently it has not confronted the need to frame a set of rights and values that distinguish it uniquely from any other nation. It is not the purpose of this paper to argue for an Australian Bill of Rights: it may indeed be sufficient for Australia to continue to rely on the implied rights that are enshrined in the common law. But the constitutional
experience of other nations has rendered a Bill of Rights, or some other instrument enshrining the core national values, inevitable.  

In Britain, for example, the absolutism of the Stuarts and the civil war that generated led to two cornerstone statutes giving expression to the fundamental values and rights on which the Westminster tradition was built: the *Habeas Corpus* Act of 1679, and the Bill of Rights of 1689.

The American colonists' rebellion against British taxation fuelled the US War of Independence, which culminated in the 1776 *Declaration of Independence*. Inspired by the writings of Locke, Rousseau and Voltaire, the US founding fathers articulated a set of constitutional principles that enshrine the core values of democratic liberalism.

We hold these truths to be self evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights Governments are instituted among Men, deriving their just powers from the consent of the governed.

These fundamental values were further reinforced through amendments to the US Constitution, the first ten of which comprise the 1791 *Bill of Rights*. Article 1 gives particular expression to the basic freedoms.

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.

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Inspired by the example of the American Revolution, the French National Assembly, on 26 August 1789, approved the Declaration of the Rights of Man and Citizen, simultaneously ending French feudalism and setting in train the momentous events that led to the eventual creation of the French Republic. A set of seventeen articles establishes a comprehensive set of values that define the intrinsic value and dignity of each human person (see Appendix 1).

Most Australians would probably accept these expressions of liberal humanism as a reasonable description of what Australia is prepared to stand for and defend. As heirs to the Age of Enlightenment and, more particularly, the Westminster tradition, Australia’s values have been shaped by this legacy and its own experience as a new nation. Expressions such as “a fair go” and “mateship” may afford a singularly antipodean character to égalité and fraternité, but it is important to recognise that “mateship” is a value that operates within social groups rather than between them (indigenous Australians, for instance, do not see the relevance of “mateship” in their dealings with most caucasian Australians). Hence, it is essential that values be expressed in ways that are inclusive.

It is hardly surprising, therefore, that Australians still look to Westminster for compelling expressions of the values that define it as liberal and democratic – the values worth fighting for. Speaking in the House of Commons in reply to Prime Minister Neville Chamberlain’s declaration of war on 3 September 1939, Winston Churchill captured in characteristic tones important aspects of the moral dimension of defensive warfare.

In this solemn hour it is a consolation to recall and to dwell upon our repeated efforts for peace. All have been ill-starred, but all have been faithful and sincere. This is of the highest moral value – and not only moral value, but practical value – at the present time, because the wholehearted concurrence of scores of millions of men and women, whose co-operation is indispensable and whose comradeship and brotherhood are indispensable, is the only foundation upon which the trial and tribulation of modern
war can be endured and surmounted. This moral conviction alone affords that ever-fresh resilience which renews the strength and energy of people in long, doubtful and dark days. . . . This is not a question of fighting for Danzig or fighting for Poland. We are fighting to save the whole world from the pestilence of Nazi tyranny and in defence of all that is most sacred to man. This is no war of domination or imperial aggrandizement or material gain; no war to shut any country out of its sunlight and means of progress. It is a war, viewed in its inherent quality, to establish, on impregnable rocks, the rights of the individual, and it is a war to establish and revive the stature of man. Perhaps it might seem a paradox that a war undertaken in the name of liberty and right should require, as a necessary part of its processes, the surrender for the time being of so many of the dearly valued liberties and rights. In these last few days the House of Commons has been voting dozens of Bills which hand over to the executive our most dearly valued traditional liberties. We are sure that these liberties will be in hands which will not abuse them, which will use them for no class or party interests, which will cherish and guard them, and we look forward to the day, surely and confidently we look forward to the day, when our liberties and rights will be restored to us, and when we shall be able to share them with the peoples to whom such blessings are unknown.  

While Churchill was never averse to oratorical flourish or rhetorical artifice, he was uncompromising in his search for purpose. And the purpose of war at the level of grand strategy was to establish the rights of the individual and “the nature of man”.

While Australia has yet to develop a tradition of parliamentary oratory to rival that of Britain, Australians do coalesce around the same values and rights. Indeed, this question has been of sufficient importance to the ADF that, in 2002, it issued a document setting out the principles on which Australian military doctrine is developed and implemented.

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\(^{23}\) W.S. Churchill, Speech, September 3, 1939 (House of Commons Hansard).
The Australian Defence Force is an important national institution … Its core function is to defend Australia from armed attack. In carrying out this and all its other functions, the Australian Defence Force is dependent on the support of the Australian people, is governed by the rule of law, and is subject to the direction of the Commonwealth Government as the civil authority. The way that the Australian Defence Force is employed reflects Australian values about the primacy of the rule of law and of the civil authority in upholding the rule of law. The Government’s use of the Australian Defence Force also reflects community values about the need for Australia, where it can, to seek to resist international aggression, relieve human suffering, promote justice and freedom internationally, and protect our borders and Exclusive Economic Zone.  

While this may be a fairly formalistic account of national values, the document goes on to establish a number of elements of national culture as central to Australia’s military ethos.

Principles of democratic government, including a respect for the rule of law and human rights, as well as social equity and fairness, are important to all Australians. The Australian ethic of egalitarianism and a ‘fair go for all’ has been a defining feature of the way we see ourselves, and the way others see us.

While military manuals are hardly the place for extended elaboration of theoretical constitutional issues, it remains central to Australia’s military posture that national values are what afford meaning and coherence to defence policy.

Australia’s ability to resist aggression and to display the resilience that lies at the heart of the national defence effort depends on a general acceptance of a shared value set. Central to that value set, and the pivot from which all further expressions of national values flow, is the intrinsic worth and dignity of each individual person. This is axiomatic for all

25 Ibid., p. 15.
further considerations of human rights, political rights, legal rights, and personal rights. The intrinsic worth of each individual person finds political and legal expression in the Rule of Law (and the associated writ of *habeas corpus*), which, in turn, cascades into the basic expressions of the fundamental freedoms of speech, association, religious expression and so forth. And this is what, in the emerging political contours of the 21st century, the liberal democracies will increasingly need to coalesce around and fight for, even to the extent of seeing off the global strategic stage those who would seek to deny that central tenet of democratic expression.

Values provide the critical ethical and moral underpinnings of law. And law is what determines the legitimacy, authority and credibility of the modern nation state, as distinct from the lawlessness that provides the operating milieu for those who wish to defeat the modern nation state. In his monumental study *The Shield of Achilles*, Philip Bobbitt points out that war is the crucible in which constitutionality is formed. Law and strategy are the key instruments of the state. Bobbitt comments: “[A] state without a strategy for war would be unable to maintain its domestic legitimacy and thus could not even guarantee its citizens’ civil rights and liberties; a lawless state at war could never make peace and thus would be trapped in the cycle of violence and revenge”.\(^{26}\)

In her excellent survey of the evolution of human rights, Lynn Hunt pointed out the essential paradox of liberal democratic values: they codify obligations but lack a capacity for enforcement.

At a time of hardening lines of conflict in the Cold War, the Universal Declaration [of Human Rights] expressed a set of aspirations rather than a readily attainable reality. It outlines a set

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of moral obligations for the world community, but it had no mechanism for enforcement.27

Rights are at the centre of constitutionality, and while they cannot be enforced, they must be defended, for without constitutionality, there is in fact no nation. And without the nation, the individual is subject to the depredations of any marauder that comes along.

It is a curiosity that the motto of the Wilkinson family, dating from the 14th century, became the motto of the Victoria Police – *Tenez le Droit* – “defend the law”. And in this basic sense, the integrity of the nation’s constitutionality is what the Australian Government must ultimately fight for and defend.

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KEY ELEMENTS OF AUSTRALIAN STRATEGY

In time of peace, the wise prepare for war.

Horace (Satires II, 2, 111)

For Australia to position itself for strategic success in the first half of the 21st century as the power structure of the Asia-Pacific region undergoes profound transformation, it will need considered and clearly defined security policies that rely on more than aspirational propositions. As is always the case in the development of credible strategies, the desirable must be tempered by the realisable, and optimism must be tempered by realism.

The emerging complexities of the Asia-Pacific strategic environment will certainly render the more narrowly conceived “Defence of Australia” policy that distinguished the latter part of the 20th century obsolete. But, equally, the limits on Australia’s longer-term economic and population base will render any more adventurous policy of global intervention. The question that future Australian governments need to address is how best to shape a benign strategic environment while maintaining a reasonable and effective capacity for armed intervention should that environment deteriorate. As the previous section of this paper demonstrated, the answer to this question lies in an integrated national security policy that combines confident diplomacy with prudent defence planning in order both to promote and protect Australia’s strategic interests.28

Australia has traditionally pursued a “dual track” approach to national security: a foreign and trade policy that combines, often uncomfortably, elements of inclusive multilateralism and exclusive bilateralism; and a defence policy that focuses on capability acquisition without much consideration of the

strategic effects that such capabilities are intended to produce. Of course, Australia is not alone in pursuing a form of policy dualism in the security domain – policy convergence between the foreign affairs and defence portfolios is difficult to achieve when the major advising institutions at times pursue divergent agendas.

But the development of a national security strategy involves much more than simply bringing two robust and professional institutions together into a common enterprise. Rather, it requires a change of policy mindset that comprehends the synergies that can be created when “soft” and “hard” power are combined into a purposive, long-term strategy. The architect of soft power/hard power analysis, Joseph Nye, expressed the nature of the relationship succinctly.

Soft power is the ability to get what you want by attracting and persuading others to adopt your goals. It differs from hard power, the ability to use the carrots and sticks of economic and military might to make others follow your will. Both hard and soft power are important . . . but attraction is much cheaper than coercion, and an asset that needs to be nourished.²⁹

As noted earlier in this paper, Joseph Nye and Richard Armitage have further developed their thinking on the relationship between “soft” and “hard” power by advocating “smart power” as the basis for a new US approach to the management of its global strategic interests. They define “smart power” as follows:

Smart power is neither hard nor soft—it is the skillful (sic) combination of both. Smart power means developing an integrated strategy, resource base, and tool kit to achieve American objectives, drawing on both hard and soft power. It is an approach that underscores the necessity of a strong military, but also invests heavily in alliances, partnerships, and institutions at all levels to expand American influence and establish the

²⁹ Joseph S. Nye, “Propaganda Isn’t the Way: Soft Power”, International Herald Tribune, 10 January 2003
legitimacy of American action. Providing for the global good is
central to this effort because it helps America reconcile its
overwhelming power with the rest of the world’s interests and
values.\(^\text{30}\)

While “smart power” may prove to be too ambitious a basis
for Australia’s long-term security strategy, it is evident that
Australia, too, needs to integrate the dynamics of “soft” and
“hard” power if it is to deal effectively with a rapidly evolving
strategic environment.

A strategy constructed along these lines would have three
major dimensions: a set of diplomatic goals designed to
establish and maintain a constructive and harmonious
strategic environment within an appropriate multilateral
security architecture; a set of defence goals that would afford
Australia the ability to sanction actions that threatened
Australia’s strategic interests; and a set of institutional
mechanisms that would both deliver integrated security advice
to Government and monitor the implementation of
Government security policy.

**Strategic Diplomacy – Realising “Soft” Power**

The development and articulation of an integrated national
security policy can only occur within the broader context of
national attitudes, behaviours and cultural dynamics. Australia’s 21 million inhabitants are curiously uncomfortable
occupants of a continent. It is as though a population
approximately the same size as that of Texas finds it difficult to
come to terms with controlling a land mass slightly smaller
than that of the USA. This sense of apologetic dislocation may
go some way towards explaining both the longstanding sense
of dependency and need for protection that has informed
Australia’s foreign policy, on the one hand, and the
inconsistencies in its articulation and focus, on the other.

Australia's reluctance to identify itself as a uniquely located and equipped strategic agent is nowhere more clear than in its failure to resolve the perceived tension between its European heritage and its Asian prospects. The deeply ingrained need for great and powerful friends – whether Britain in the first half of the 20th century or the USA in the second half – has tricked many policy makers into misreading the terms on which an enduring relationship can be constructed with major emerging powers such as China and India. While a common language and shared values evidently provide some of the glue that binds Australia, Canada, Great Britain, New Zealand and the USA, they are among the factors that militate against a robust long-term relationship with the countries of South East Asia, North Asia and South Asia – including India.

For the past decade or so, Australia has pursued a diplomacy based on pragmatism – a carpe diem approach that has delivered significant short-term benefits, but at the expense of setting in place long-term diplomatic investments designed to deliver major benefits well into the rest of this century. Australia's diplomacy has been reactive to both crises and opportunities. Australia's interventions in East Timor and the Solomon Islands illustrate the point. In some important respects, Australia precipitated the 1999 crisis in East Timor by intervening directly in Indonesia's consideration of the future of East Timor in a way that caused offence and an impulsive change in policy by President Habibie. Yet Australia's response to the consequent descent into violence in East Timor was constructive and quick, as was its exit that, in turn, unwittingly set the stage for a return to internal political violence. Similarly, Australia's intervention into the terrible security situation in the Solomon Islands in 2003 was incisive and effective, yet, partly due to a lack of an integrated package of political and economic measures, failed to produce enduring stability and security for the people of the Solomon Islands.
Australia’s lack of confidence in the conduct of strategic diplomacy is the consequence of two inter-related factors: there is little broad understanding of the cultural dynamics of the region; and Australia has yet to articulate what it stands for, what its objectives are, and how it might set about achieving them. In short, it is impossible for any nation to understand its neighbours if it does not understand itself. Without an articulated strategic purpose, it is difficult to develop partnerships and manage relationships that are essential to the maintenance of prosperity and stability.

This uncertainty reveals itself in the confused public discussion that surrounds issues such as immigration, multiculturalism, the welfare of indigenous Australians, religious toleration (particularly of Islam), sustainability and environmental management – to name but a few. It also reveals itself in the continuing decline in the teaching of foreign, especially Asian, languages in Australia’s schools and universities.

In order to embark upon a strategic diplomacy, the Australian Government needs to articulate in unembarrassed terms what it stands for, the values that distinguish the Australian community. That is not so difficult, since the values that are enshrined in the rule of law enjoy widespread support, and while they may or may not be “universal” in the sense of a “universal” declaration of human rights, they certainly exercise significant appeal across the nations that operate within Australia’s strategic environment. And it needs to be able to engage those nations on their own terms, which involves understanding their cultures and their languages. These two prerequisites – a clear expression of national identity and an appreciation of the cultures of the region – will inform a strategic diplomacy that would operate in four major domains: political maturation; economic growth; social justice and responsibility; and cultural pluralism. These are all necessary components of regional stability and security, though none of them is itself sufficient.
Political Maturation

Strategic diplomacy can only be effective when it fosters democratic liberalism. Broad popular participation in the political life of the nation is an essential contributor to regional security. As has become abundantly clear in respect of both North Korea and Burma, repressive regimes actually undermine regional stability because they impose unacceptable pressures on their neighbours – principally a consequence of the unacceptable pressures they impose on their own populations. Australia’s participation in and support for the construction of robust democratic institutions, independent national judiciaries, incorrupt public administrations and service delivery infrastructures is a critical component of the “soft power” that encourages long-term harmony among nations.

The encouragement of political maturation is at once a lengthy and painstaking process. It demands the patience and toleration that eschew pragmatism for the sake of principle. For any society, especially those that display a proliferation of isolated cultures and languages (such as Papua New Guinea) or a history of racial and sectarian violence (such as East Timor), education is the critical lever through which the acceptance of individual difference and tolerance of individual beliefs and behaviours is generated. It is also a critical precondition of economic growth.

Economic Growth

Successful economic development is at once a cause and a consequence of successful democratic development. Progressive societies that run open, competitive, market-driven economies tend to enjoy the high levels of prosperity that are needed for political stability and national security. As its early sponsorship and continued support for Asia Pacific Economic Cooperation (APEC) has demonstrated, Australia has recognised that economic development is a cornerstone of regional stability and security. But much more needs to be done. While the economic relationship with China is destined
to see China emerge as Australia’s principal trading partner, replacing both Japan and the US, bilateral trade with the ASEAN members has lagged behind. Economic growth is imperative for both East Timor and PNG if those two nations are to arrest their descent into poverty and chronic political instability. While Australia cannot undertake the economic development of either of these two countries single-handedly, there is a clear need for Australia to work with the major international economic institutions, major aid donors and regional economic players both to expand investment in infrastructure and grow the terms of trade.

**Social Justice and Responsibility**

The third dimension in which strategic diplomacy needs to have effect is in some respects the most important. The growth of social capital is a critical concomitant of political maturation and economic growth. As the Productivity Commission noted in its 2003 report, social capital is a contentious subject. The World Bank has defined social capital in the following terms.

The social capital of a society includes the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development. Social capital, however, is not simply the sum of institutions which underpin society, it is also the glue that holds them together. It includes the shared values and rules for social conduct expressed in personal relationships, trust, and a common sense of ‘civic’ responsibility, that makes society more than just a collection of individuals.

Yet it is clear that societies that enjoy robust social networks, values that recognise the contribution made to social well being by all levels of society, social norms that accord equality to all citizens, protect children, prohibit criminal and anti-social behaviour and reward achievement and

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performance are societies that achieve high levels of prosperity and security. Social capital is what makes New Zealand, for instance, a desirable country to live in and its absence is what makes PNG correspondingly less so.

The creation of social capital is critical for the failed and failing states of the Pacific. But it is equally important for the emerging economies of South East Asia, and the giant economies of China and India. While it is not for Australia to embark on a proselytising campaign that risks consolidating the more repressive tendencies of some regional governments, it is important that Australia’s diplomacy uphold the place of social capital in delivering long-term prosperity and security. This requires a subtle and persuasive focus on long-range improvements to the operating mechanisms through which the Asia-Pacific region deals with both its prospects and its problems.

Social justice and social responsibility are the hallmarks of a nation that is in harmony and balance. Discrepancies in opportunity, station and wealth generate the pressures that emerge in antisocial behaviour and criminal activity, and where such problems become endemic and chronic, political instability is the inevitable outcome.

Cultural Pluralism

Notwithstanding its respect for multiculturalism, Australia represents itself internationally as a homogeneous society with a “westernized” culture adapted to the peculiarities of Australia’s geography and history. And it has a preference for dealing with countries that are similar. But the fact is that Australia’s strategic environment is characterized by enormous cultural diversity. PNG, for instance, boasts over 700 languages, significant cultural differences between highlanders, coastal people and the inhabitants of the Micronesian islands. This is replicated right across the Pacific, as well as across Asia. Cultural pluralism at one level may appear to be a barrier to harmonious interaction, if only because cultural misunderstandings can so quickly lead to a
sense of affront. In fact, however, the variety and distinctiveness of the cultural forms within Asia and the Pacific constitute an enormous strategic advantage, because they are the wellspring from which social capital is created. Culture sets the rules through which people express their sense of belonging, and it has already become clear in countries such as PNG and East Timor that, once cultures begin to erode, popular alienation and the violence that ensues become inevitable.

It is not in Australia’s interests, or those of its neighbours, to approach cultural pluralism as though a series of museums was required to “preserve” individuated cultures. In fact, cultures grow and adapt, and change over time. What is important is that cultures are respected, understood and valued. Given the difficulty that Australia has experienced in accepting and valuing the cultural forms of its own indigenous people, this may prove to be a difficult task. And, because language is the critical portal through which culture becomes accessible, it is also imperative that Australian governments arrest the decline in foreign language teaching – especially the languages of Asia.

Strategic diplomacy is a diplomacy for the long term. It requires care and meticulous planning, cohesion in decision, and patience and humility in its execution. Australian diplomacy has often been distinguished by its agility, its adaptiveness and, occasionally, its impetuosity. What is needed in emergent strategic circumstances is an entirely different mindset among Australia’s decision-makers and diplomats – calm, focused and applied management of partnerships and relationships that reflect a strong purpose to generate mutually beneficial outcomes. It is an approach that integrates all the dimensions of an effective diplomatic practice, and then transcends that to incorporate a defence strategy that is similarly constructive and determinative.

Harmony and balance are the results of successful diplomacy. But diplomacy is not always successful. Hence strategic diplomacy must comprehend the availability of
appropriate and tailored force levels both to provide substance to success and to address the consequences of failure.

**Decisive Lethality – Realising “Hard” Power**

For the greater part of the 20th century, Australia’s defence strategy remained remarkably constant and consistent. Its focus was on the ability to defend Australia against external attack, the establishment and management of alliances to bolster Australia’s defences when the origins and/or the consequences of conflict were global in nature, and the capacity to restore law and order in neighbouring countries whenever that became necessary. Successive Australian governments supported this general strategy through regional defence relationships that assisted regional countries to maintain their own security (hence the Five Power Defence Arrangements and the various Defence Cooperation Programs).

There is always a tendency to reduce complex propositions to simple expressions. In the immediate aftermath of World War 2, the short hand for Australia’s defence policy was “forward defence”, which reflected a continuing reliance on the alliance structures that survived the war, structures which the Cold War transformed into the short-lived South East Asian Treaty Organisation (SEATO). As it became increasingly evident during the 1960s that the security structures in Asia were anachronistic at best and counter-productive at worst, Australia progressively came to see that it would need to mount any national defence from Australia rather than relying on the availability of allied forces in Asia. President Nixon’s Guam Doctrine hastened this realization in 1969.

The early 1970s saw Australia’s defence strategy re-badged as “continental defence”, a catchphrase that owed as much to the futility of the war in Vietnam as it did to any redirection of policy. The monumental work undertaken by Paul Dibb in 1986 culminated in the publication of his *Review of Australia’s Defence Capabilities – a Report to the Minister.*
This review argued that a fundamental responsibility of government is national defence – an unarguable proposition – and that, as a consequence, defence capabilities must be structured around defeating potential adversaries in the sea/air approaches and dealing decisively with any incursions onto Australian territory. This strategy was labelled “defence of Australia”, and while it imposed discipline on the force acquisition process and constrained the wilder ambitions of the defence forces, it increasingly (and erroneously for the most part) became associated with more doctrinaire constraints on the ability of government to deploy the defence force where Australia’s strategic interests might be engaged offshore.

The problem with catchphrases is that their simplicity and apparent obviousness obscures the inherent complexity of the policies they seek to capture. For the fact is that the “defence of Australia” policy forced planners to address those things that were essential to national defence, and, not surprisingly, the resultant defence capabilities provided a range of options to government for other kinds of operations. But it also perpetuated a set of subsidiary catchphrases – “balanced force” and “core force” to name but two of them – that expressed inter-service compromises that resulted in a force that was neither “balanced” nor “core”.

War is conducted in space and time that create the geographical and temporal boundaries of conflict. But war is not about space and time: it is about policy. For Australia, with a limited population base and a healthy though limited economy, the tools that are needed to conduct national defence need to meet two critical criteria: they need to deter possible adversaries by imposing unacceptable costs in terms of both human life and treasure; and they need to deliver a form of lethality that persuades an aggressor to desist or punishes him for proceeding.

Countries with similar strategic problems have, over time, developed strategies that impose unacceptable costs on an aggressor, even when that aggressor is able to inflict serious
hurt. In the case of South Korea and Singapore, for instance, the preference has been for “poisoned shrimp” strategies that render the invasion costs too high. But the problem with strategies of that kind is that ingestion seems to be intrinsic to the success of the strategy! The “poisoned shrimp” may lay the adversary low, but probably does not itself survive the experience.

Australia abounds with interesting and lethal fauna that are both defensive in their habits and virulently lethal when provoked. The *chironex fleckeri* (box jellyfish) and the *hapalochlaena maculosa* (blue-ringed octopus) are two small marine creatures whose stings are lethal. The two sub-species of the *Oxyuranus* (taipan snake) and *Atrax Robustus* (the funnel-web spider) are also extremely venomous, but only when provoked. The lethality of these creatures is decisive, since it affects the central nervous system. While other creatures — kangaroos, for example — may inflict significant wounds, they are big, obvious, and easy to avoid.

This is not to suggest that Australia requires a defence capability constructed around the blue-ringed octopus or the taipan. It is, however, to suggest that not everything in nature is massive or armoured: defensive capacities evolve to meet the demands of the environment. So, for Australia, it is important not to misapply the lessons of 19th and 20th century warfare to the significantly more problematic types of conflict that are already distinguishing the 21st century. Attrition models and controlled escalation may have been appropriate to the circumstances of 1914. But they were not appropriate to the circumstances of Vietnam, and are unlikely to be effective in the circumstances of this century.

Australia’s strategic problem is unique: how to manage the defence of 20% of the earth’s surface (including the EEZ) with 0.3% of the world’s population? The answer lies in good policies that reduce the prospects of war – strategic diplomacy – working in tandem with defence capabilities that are decisively lethal should they be employed. Such capabilities are not premised on weapons of mass destruction. But neither
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can they be premised on massive conventional capabilities, because Australia has neither the resources nor the people to develop and maintain them. Rather, decisive lethality is premised on tailor-made capabilities that Australia is uniquely able to develop and deploy, for which effective countermeasures exceed the capacity of possible adversaries.


As currently structured, the ADF seeks to maintain a balanced force that offers government a limited set of choices for the direct defence of Australia and a somewhat broader set of choices for Australian involvement in regional law and order and humanitarian relief operations. While the strategic strike assets of the RAAF (presently the obsolescent F-111, soon to be replaced by the F/A-18 Superhornet) and the RAN’s Collins class submarine do represent a vestigial capability for “decisive lethality”, they lack both the capacity and the depth to offer government more than a minimum capacity in any serious defence situation. One of the characteristics of “balanced” forces is that, rather than placing all the defence eggs in a single basket, too few defence eggs are placed in too many baskets.

Australia’s current defence position may suggest a lack of force structure discipline or inadequate policy foundations, or both. It certainly reflects chronic under funding, which in turn encourages the penny-packeting of capability and a “dog eat dog” attitude between the defence services as they compete for resources.

To address this evident lack of capacity, successive Australian governments have looked to the ultimate protection of the USA in the event of a major attack on Australia. This dependence is consonant with a pervasive assumption that any attack on Australia would inherently engage the strategic interests of the USA. It is also consonant with what appears to have become an Australian policy habit of offering more or less automatic support to the USA in its various military
adventures. It is important, however, that sentimentality is not substituted for strategy in considering the nature and effect of the Australia-US alliance. At the very least, the alliance must be premised as much on Australia’s security needs as on US convenience.

There is much commentary on the alliance.\(^{33}\) While the political dynamics of the alliance are well understood, considerably less attention has been paid to the capability effects of the alliance. In the field of strategic intelligence, the mutual benefits are substantial (though, as erroneous US assessments of Iraq’s possession of WMD in the lead-up to the Iraq war clearly demonstrated, Australia needs to retain a capacity for independent intelligence assessment).\(^ {34}\) But in the field of mainstream ADF capabilities, the benefits are less obvious. “Buy American” appears to be well entrenched in the acquisition of high order RAAF and Army assets, due principally to questions of capability and support. When it comes to Australian access to US source code and advanced technology, however, the relationship has been, historically, less forthcoming.

This aspect of the alliance needs to be addressed as a matter of urgency if Australia is to be able to pursue “decisive lethality”, since some of the technologies critical to any Australian ability to impose unacceptable risks on an adversary are classified US technologies. This is particularly the case with respect to underwater systems, though it also impacts on high order aerospace systems.

For Australia to have access to advanced and classified US technologies, it will need to demonstrate the benefit to the USA of its granting access. This means that the systems that Australia identifies as providing the best means of delivering lethality decisively (some of these will be identified in the next

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\(^{33}\) See, for example, Ross Cottrill, “The United States Alliance”, *Security Challenges*, vol. 3 no. 3 (August 2007).

\(^{34}\) See, for example, A.J.Behm, testimony to the Joint Standing Committee on Foreign Affairs and Defence, 11 August 1997, in *ANZUS After 45 Years: Seminar Proceedings* (Canberra: JCFADT, 1997), pp. 109-114.
section) will need to be directly relevant to the defence needs of the USA. It has not been difficult for successive Australian governments to accept that the nuclear capacities of the USA are, in an ultimate sense, a guarantor of Australia’s security within the framework of US extended nuclear deterrence. It has been more difficult, however, for Australian governments to identify areas where Australian capability might make a difference to the security of the USA. Yet any capability that delivers lethality decisively is of interest to the USA, both for its own benefit and to deny the capability to potential adversaries.

The difficulty entailed in obtaining access to classified US technologies should not be underestimated. But the USA is extremely adept in acting in its own interest, and it is also characteristically generous when real partnerships are created. So it becomes a matter of the highest priority for future Australian governments to identify those capabilities that are critical to decisive lethality, to analyse the range of benefits that such capabilities might confer on the USA, and then to negotiate arrangements whereby technologies can be shared and operationalised to mutual advantage.

The ANZUS treaty has proved itself to be an evolutionary vehicle in maintaining the Australia-US alliance. Whereas it began as a treaty that addressed perceived threats (in 1951, the concerns of the Australian government with respect to the future resurgence of Japanese militarism), it has morphed into a treaty based on shared values and shared strategic goals. It has proved to be exceptionally durable. Just as the classified annex to the ANZUS treaty has provided the umbrella under which the strategic intelligence relationship has grown, so too an annex dealing with classified technological exchanges may prove to be the critical force multiplier that enables “decisive lethality” to work to the advantage of both Australia and the US.
Evolved Institutional Arrangements – Bringing “Strategic Diplomacy” and “Decisive Lethality” Together

For Australia to position itself both to shape the emergent strategic environment and to deal with the stresses of the coming decades, it will need a “whole of nation” approach to security. The community needs to understand the nature of the attack on values, and needs to accept that an appropriate response is not to apologise for what Australia stands for but to promote those values. To achieve this, it also needs a “whole of government” approach to security policy that integrates “soft” power initiatives with “hard” power capabilities.

Like many comparable nations, Australia has tended to pursue foreign policy interests and defence policy objectives that are not always convergent. For the bureaucratic fact is that Foreign Ministries seek to deal with the world as it should be, while Defence Ministries seek to deal with the world as it could be.

Australia has been served by a dedicated public service whose efforts are characterised by dedication and integrity if, at times, a degree of pusillanimity. The national administrative arrangements, notwithstanding the increasingly frequent change of departmental styles and titles, have remained remarkably stable. The Departments of Defence and Foreign Affairs do different things, and so should remain separate. At the strategic level, however, their policies must converge if Australia is to derive the best outcomes from both the diplomats and the military. This demands high levels of policy coordination.35

35 In Kokoda Paper No 1, Ross Babbage offers a more extended argument for a revision of the institutional arrangements that are required to support “planning not just for defence, but for national security”. He suggests that the national security bureaucracies need to be much less isolationist and much more integrated with the broader community if government is to receive the options analysis and advice that are essential for effective decision-making. See Preparing Australia’s Defence for 2020: Transformation or Reform? (Canberra: Kokoda Papers No 1, 2005), pp. 39-48 and 60-63.
The Cabinet makes the final decisions on high policy and, accordingly, the Cabinet is where effective coordination takes effect. But because Australia's decision makers are elected rather than appointed, they do, from time to time, follow somewhat different policy agendas (and do not always enjoy the closest of personal relations). Accordingly, current circumstances suggest that some form of national security policy coordinating body, along the lines of the National Security Council in Washington, may offer a useful solution to the demands of high-level coordination. Such a body does not need to be big. But it does need to be experienced and expert. It needs people who have domain knowledge in strategy, and must not comprise a set of “departmental representatives” whose function would be little more than to protect departmental turf. It needs a strong leader, and it needs to report to the Prime Minister.

The functions of a national security coordinating body would go beyond deal brokering between the Foreign Affairs and Defence organisations. It would also need to encompass the other national security agencies, particularly those that support intelligence gathering, border security, infrastructure security and policing. Moreover, it would have a critical role to play in supporting senior Ministers in negotiating the sorts of classified technology transfers identified above as the critical force multiplier that makes lethality decisive.

“Decisive lethality” will be nothing more than a wasteful chimera unless it is matched to a confident, progressive and focused diplomacy. It is the fist that supports the velvet glove. The integration of these two elements of strategic policy is of the highest national importance.
KEY CAPABILITIES IN A CHANGED ENVIRONMENT

Bring me my spear! O Clouds, unfold!
Bring me my chariot of fire!

William Blake

It is a curious feature of Australia’s defence planning that realists seem generally to develop strategic policy (that is, strategic policy is built around power relationships) while empiricists appear to do force structure planning (that is, the force structure reflects experience of what does and does not work). This may in part explain the remarkable stability of the ADF’s force structure over the past four decades. Some capabilities have disappeared (carrier-borne aviation, for example) and others have been added (AEW&C, for example), resulting in progressive enhancement of the overall capacity of the ADF for limited combat roles. Notwithstanding increases in capability, however, the structure has remained one more of balance than of combat superiority.

During this period, Australia has enjoyed a benign strategic environment, disrupted on the margins by relatively small local problems (the Bougainville peace monitoring operation and RAMSI were well within the capacities of the ADF) and by the more substantial, though still very manageable, events in East Timor in 1999. South East Asia has seen unprecedented economic growth, and while the nations of the Pacific are in general decline, the security problems they might face remain well within Australia’s ability to construct political and military solutions.

This benign strategic environment, together with a measure of parsimony, has engendered a shared mindset between both policy makers and force planners that “defence on the cheap” is a realistic option. While government has in important respects reversed this trend in recent years through various big ticket spending decisions, these have generally been made without the advice, or against the advice, of
defence planners who continue to work on the assumption that least expenditure is best expenditure. Australia is extremely fortunate to have been able afford this attitude. But the question is: can it continue to do so?

Australia’s long period of economic growth shows no sign of an early abatement. It is no surprise, however, that the investment habits formed during the more straightened circumstances of the 1980s and 90s continue to impact on capability acquisition processes. Given the Defence organisation’s long experience of government pushback against any of its more ambitious acquisition ideas, a more strategic or radical approach to long-term capability investment is difficult to achieve organisationally. And defence force structure planners are not renowned for their courage.

With good diplomacy, continued economic growth, moderation in the exercise of political ambition by emerging powers, the absence of the kinds of stresses caused by severe climatic changes and pandemics, Australia’s strategic environment may remain benign. But the significance of the political and strategic changes in prospect, compounded by growing confidence of the religious absolutists who clothe terrorism in the robes of Islam, suggests that a considerably less optimistic outlook is in prospect. For Australia to embark on a more integrated and transformational strategy that would merge strategic diplomacy with decisive lethality, it would need to consider whether the traditional practice of placing too few eggs in too many baskets needs to give way to a decision to put the right number of eggs into the right sorts of baskets. Governments need to consider whether an omnibus force structure will continue to deliver to Australia the kind of strategic security capacity that it will need into the middle of this century.

This is a giant task, and one that would place considerable stresses on the Australian capability planning system as it is currently structured. For it would not only require the articulation of a long-term strategic policy that both understood and provided for the prospective changes in the strategic
environment but also the analysis necessary to determine effective force priorities and funding quanta. But it is not a task that can be postponed much longer, for the changes in Australia’s strategic environment are already underway, and while those changes cannot be prevented or even slowed they can be accommodated. They cannot, however, be accommodated by a force structure that is designed for small regional constabulary operations or niche contributions to a coalition force in situations where the strategic aims and/or operational dynamics will not be determined by Australia. In situations where Australia must determine its own strategic aims and the operational means of achieving them, it is imperative that it have a suite of military capabilities tailored to those purposes.

Of course, in the broader security schema, Australia will continue to need forces that afford government with appropriate options both for prevention and response – especially in the Pacific. Basically, Australia needs to maintain the ability to “put boots on the ground” – as successive Chiefs of Army constantly remind government – in order to provide security and humanitarian assistance to the countries of the south west Pacific. But forces specifically designed for such small contingencies will be simply incapable of providing government with any strategic options in circumstances of major strategic discontinuity. Nor will they bring to any potential coalition partner the capacity to disrupt a common adversary’s strategic momentum. Put simply, a force structure developed in accordance with historical experience – the empiricist approach – is unable to meet the challenge of the new.

There are four areas of strategic capability that are essential to the development of decisive lethality. They are advanced C3I, long-range precision strike, integrated sustainment of deployed lethality from the national support base over extended periods of time, and the ability to mount cyber warfare defence and attack. And, given Australia’s relatively low population and large operating areas, these four
areas are dependent on advanced technological capacity and a highly skilled force.

C3I

The key features of decisive lethality are the ability to maintain wide-area environmental awareness, the ability to bring together strike assets quickly and effectively so that command is exercised within the decision loop of the adversary (that is, strike can be effected more quickly than the adversary is able to do) within a framework of full-scope communications. Since success in 21st century warfare will become increasingly dependent on manoeuvre, command and control becomes the key to warfighting. Fortunately, successive Australian governments have accepted this, and significant improvements have been achieved during the past decade or so, especially in the area of battlefield communications. Cost, however, has precluded the levels of investment in strategic communications until recently, when the government announced Australia’s participation in the Wideband Global Satellite Communications constellation – a group of six satellites of which Australia will fund one satellite and manage the associated ground infrastructure for Australian communications. This is a significant first step. The capability will need expansion, however, if the demands of intelligence, information and data transfer are to be met into the middle of this century.

Comprehensive spatial awareness is critical for the kinds of operations the ADF will need to conduct in the coming decades. While reliance on terrestrial surveillance systems will continue, legacy systems will be of decreasing value as the operating environment becomes both more complex and the ability of neutral states and potential adversaries to deny access increases. This will inevitably drive Australian commanders to space-based and UAV surveillance systems that combine SIGINT, ELINT, FISINT and infrared systems with advanced electro-optical capabilities. This brings high utility, though at high cost.
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Australia’s long-term strategy will rest on its ability to dominate intelligence gathering and communications in its extended maritime environment. In strategic terms, as distinct from economic terms, this extends from the North West Indian Ocean to the North West Pacific. Moreover, this intelligence and communications domain is further extended if Australia is to protect its fishery and other economic resource interests in the far southern Indian Ocean. Long ocean deployments and extended time on station will remain critical characteristics of Australian strategic operations. Efficiency, however, will depend critically on the quality and timeliness of intelligence and the speed and accuracy of communications. And, in the unfolding strategic circumstances that Australia faces, this becomes an issue of necessity rather than desirability.

As was noted in the previous section, this is an area of central significance to Australia’s alliance with the USA and its partnerships with other liberal democracies. In order to derive benefits from the enormous US system, Australia will need to bring material assets to and confer benefits on that system. It cannot be taken for granted that sufficient redundancy exists in the US system to afford Australia “most favoured nation” status in all circumstances. Basically, Australia must work its passage.

Precision Strike

The same principles apply, mutatis mutandis, to the development of long-range strategic strike. Decisive lethality demands the ability to initiate strike, as well as to respond to provocation. The Bush doctrine of “pre-emptive attack”, as was exercised in Iraq, has not delivered to the USA the strategic advantages that it was designed to do.\(^\text{36}\) As a

\(^\text{36}\) Professor John Norton Moore provides a trenchant legal criticism of the pre-emption doctrine (as distinct from anticipatory self-defence). His comment is worth noting.

I would, however, score the “preemption” policy, gratuitously written into the National Security Strategy of the United States by the Bush administration, as illegal to the extent that it were [sic] to go beyond the existing legal doctrine of anticipatory defense. And if it was not meant to go beyond anticipatory defense, as I have been assured by the Legal
strategic doctrine, it is highly flawed, since its consequences cannot be calculated accurately, and the strategic consequences that it might be intended to preclude (such as prolonged warfare and attrition) could actually become more likely. For Australia, such pre-emption is impossible, since it lacks both the ability to sustain such an attack and to manage the consequences.

To exclude pre-emptive attack as a realistic strategic option, however, does not mean that, in certain circumstances, Australia would not initiate strike. A range of force provocations, which might include interference with maritime trade, the closure of Sea Lines of Communication (SLOCs), detention and/or harassment of diplomatic personnel, and the impounding of aviation assets, would merit serious consideration of a complete range of options, including the laying of mines and the use of precisely targeted strike. And in circumstances where an adversary has directly attacked Australia and/or its interests, consideration of strike becomes a necessity. And, for Australia, submarines will remain a core capability.\(^\text{37}\)

For over four decades, Australia has maintained strike capabilities that are, in regional terms, formidable. The F-111
counsel to the National Security Council, it was certainly a first-rank political error to write it into the National Strategy. There it quickly became a focus of worldwide controversy and detracted from an otherwise excellent document that stressed both the importance of democracy and trade \([\text{sic}]\). Certainly no such doctrine was needed to legally justify defensive action against terrorists who had initiated multiple armed attacks against U.S. interests and, on 9/11, the homeland itself. Indeed, this is not even an issue of anticipatory defense, but rather simply of defense. Moreover, I would suggest that an elementary application of incentive theory would suggest that it is not in the national interest to adopt and announce a policy of “preemption”. Such a policy, as opposed to a policy of response to attack or imminent attack, that is, deterrence, itself creates incentives to initiate attack and/or develop weapons of mass destruction for those who perceive themselves at risk of being “pre-empted”.

John Norton Moore, \textit{op cit.}, pp. 135-6

\(^\text{37}\) For an analysis of the need for and role of submarines in the ADF force structure, see in particular \textit{Australia’s Future Underwater Operations and Systems Requirements} (Canberra: Kokoda Papers no. 4, April 2007)
and the Oberon class submarine afforded Australia, for the first time, the ability to transcend the tactical level of warfare and strike decisively at a distance. They were, in the proper sense of the term, strategic assets. As a consequence of regional force expansion, however, Australia’s abilities in this area are declining in both relative and absolute terms. Regional countries have substantially improved their ability to monitor their air and sea spaces, and, should they wish to exert their sovereignty and exercise their neutrality, to deny access to Australian assets or, in time of conflict, actually target Australian operations in areas under their control.

These changes bring into question the appropriate balance between air strike and maritime strike in guaranteeing decisive lethality. It is practically inevitable that, at some point later in the 21st century, Australia will need at least to consider ballistic missiles based on Australian territory as a guaranteed strike vehicle. Australia has already indicated its interest in ballistic missile defence. In the meantime, however, strategic air strike is likely to become an increasingly unreliable and expensive means of maintaining a reliable long-range strike capability. This is not to argue that air strike will not remain a critical element in Australia’s ability to conduct joint fires, and to enhance the manoeuvrability and lethality of land forces. Nor is it to suggest that Australia does not need air assets for maritime strike. But the ability of aircraft to conduct long-range strategic strike operations will decline rapidly as regional nations, especially the emerging powers, ramp up their intelligence, surveillance and air defence capabilities.

The critical issue for Australia is whether it is prepared to make the political, diplomatic, technological and, ultimately, financial investments in its long-range maritime strategic strike capabilities to ensure that it retains a capacity for decisive lethality. Australia already maintains and deploys a unique

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38 The delivery of joint fires is a critical element in Australia’s ability to project decisive lethality. An important new study is: A.Titheridge, G.Waters and R.Babbage, Firepower to Win: Australian Defence Force Joint Fires in 2020 (Canberra: Kokoda Papers no. 5, October 2007).
capability through the Collins class submarine, a purpose-built and highly capable platform that combines leading edge technology with highly competent crews. It has certainly won the respect of the US submarine community and, in particular circumstances, would bring a uniquely potent capability to the combined operations table. In emergent strategic circumstances, Australia should contemplate the ability to deploy submarines into two areas of operations concurrently for up to 60 days per deployment. But the current submarine fleet of six vessels is too small, and the number of available crew members too few, to sustain a decisive ability both to deter an adversary and to defeat that adversary should lethal force be needed.

The empiricist approach to force structuring delivers a kind of capability smorgasbord: there is a bit of everything available in the hope that the consumer will not be too disappointed if certain things run out, because other options remain. For low intensity conflicts, and the kinds of operations Australia may be required to mount in its immediate neighbourhood, the empiricist approach delivers a reasonable set of choices. The construction of three Hobart class Air Warfare Destroyers and two amphibious ships, for instance, appears to afford future Australian governments with a reasonable and sensible range of options for deploying the ADF safely into areas of operation where the presence of air-to-surface and surface-to-surface missiles is relatively low. In emergent strategic circumstances, however, such an approach becomes increasingly less reliable, for two reasons. First, there is little, if any, scope for capability growth, even if warning were adequate.\textsuperscript{39} And

\textsuperscript{39} Australian force planning has long entertained the belief that the force-in-being provides an “expansion base” that would enable force levels to be increased should strategic conditions so demand. This assumption might be valid if it were simply a question of creating a mobilisation program to deploy simple technologies in large numbers. In current circumstances, however, both the size of the Australian population and its demographic structure precludes any significant ability to expand the ADF in time of war. 21st century warfare is “come as you are”, and the belief that warning will provide the opportunity for enhancement and expansion defies both historical experience and planning logic.
second, decisive lethality depends on the ability to sustain deployments over long periods of time in order to impose disproportionate (and, it is hoped, unacceptable) costs on the adversary. The ability to maintain decisive lethality depends on ensuring that the number of platforms and crews available permits long-range and long-term deployment.

Historically, Australia’s decisions concerning the acquisition of air combat and strike aircraft and ground vehicles have provided for both the availability of platforms for operations and attrition. Attrition has not, however, been a factor in determining the numbers of naval platforms. Yet it is an unfortunate consequence of warfare that aircraft crash and ships sink. The loss of *HMAS Sydney* in 1941 and *HMAS Voyager* in 1964 continue to echo within the Australian community.

Determining the number of platforms must also take into account the evolution of concepts of operations. In its peacetime experience, Australia’s normal practice has been to deploy its ships and submarines singly, except for fleet concentration periods and major combined exercises. As was noted above, in prospective conflict it is more likely that submarines will be deployed in pairs if operational success is to be guaranteed. This could mean, for example, that in any serious defence contingency where the ability to deploy and maintain decisive lethality was the government’s principal strategic objective, Australia may need to deploy two submarines at 3,500 NM and two additional submarines at 2,500 NM. Demands such as this would have obvious impacts on range and endurance. But they would also have an impact on the number of hulls necessary to maintain the capability. While it is not the purpose of this study to elaborate all the considerations that would need to be taken into account in planning for the next generation submarine, it is highly likely that the optimal number would be greater than the six Collins class submarines currently in service.
Sustainment

The ability to maintain deployed assets on station more or less indefinitely is the key measure of sustainment. It depends on three distinct though related vectors: the number of platforms (and their capabilities) in the force-in-being; the industrial capacity to conduct repair and maintenance; and the availability of trained personnel to man the platforms. As was noted above, the number of platforms will only be decided after exhaustive analytical study, including studies of through-life cost. Industrial capacity, however, is something that government can stimulate through indirect mechanisms such as investment allowances and through direct means such as submarine build numbers and the rate of construction. As has become clear in recent months, the ability of Australian industry to support the Joint Strike Fighter development and acquisition is limited by the very specific nature of relevant industries, their small scale and their inability to expand. The same holds true in submarine development, construction and maintenance, particularly where the major constructor is already fully occupied with the combat system design and integration for the forthcoming amphibious ships.

But the real Achilles heel that limits sustainment is manpower. Already the RAN’s submarine arm is severely short of officers, and very short of enlisted personnel. There are many factors at work here that are not amenable to short-term fixes. As Ross Babbage noted recently, manpower has become a critical liability for the ADF, and is possibly the most serious constraint on its long-term success. But it is a problem that can be addressed through a combination of remuneration, enhanced conditions of service, basing and posting flexibility, and flexible career management approaches (particularly for members with young families). For the fact is that the ADF can no longer allow 19th century remuneration structures and management practices to limit its effectiveness.

Cyber Warfare

The very survivability of the ADF’s future C3I systems and its ability to conduct networked long-range strike will depend on Australia’s ability to protect deployed forces against cyber attack, and to conduct cyber attacks against the C3I systems of the adversary. This raises complex legal and technological issues, since “hacking” is proscribed by law in Australia, and, while government employs proprietary and purpose-designed defences against unauthorized access to its IT systems it may only conduct such attacks itself in support of military operations abroad. It also raises complex issues in the management of the alliance relationship with the USA. Yet the rapid expansion in both availability and access to Internet communications and mobile telephony has generated a quantum shift in “free enterprise” IT systems hacking. As was noted earlier in this study (*New Power, New Options*), the decentralized nature of the IT industry in India, and the apparent practice in China of free-enterprise “franchises” for the conduct of computer attacks, offer new threats to the military and commercial IT systems of the US and its allies.

Successful command relies on the ability of the commander to reach decisions before the adversary can do so – to act within the decision loop of the adversary. In 21st century warfare, this will require sophisticated decision support systems that, in turn, will be highly reliant on high-speed data processing, huge data storage capacity and high-speed data transmission. Just as vulnerabilities to the main force must always be addressed before the battle, so vulnerabilities in national communications systems need to be addressed before their use becomes critical to success in warfare.

Similarly, it is important to develop a capacity to exploit any vulnerabilities in the adversary’s communications systems, both to infiltrate spurious data and to degrade the systems. In Australia’s case, this may require legislative

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41 Cf Philip Bobbitt, *op.cit*, pp. 327-8 for an incisive analysis of the future potential of information warfare.
change, although such changes should not impact on Australian citizens in the normal conduct of their business.

Cyber warfare extends beyond the dedicated military systems to encompass all aspects of modern communications.\footnote{42}{42 For an extremely interesting analysis of the mass mobilisation aspects of modern cyber warfare, see Audrey Kurth Cronin, “Cyber-Mobilization: The New Levée en Masse”, Parameters (US Army War College Quarterly), Summer 2006, pp. 77-87} As Audrey Kurth Cronin has noted:

…individually accessible, ordinary networked communications such as personal computers, DVDs, videotapes, and cell phones are altering the nature of human social interaction, thus also affecting the shape and outcome of domestic and international conflict.\footnote{43}{op. cit., p. 77.}

For the mass take up of communications systems is encouraging a fractionation of violence and “a return to individualized, mob-driven, and feudal forms of warfare”.\footnote{44}{op. cit., p. 81.} The commission of acts of terrorism since 9/11, and the steadily growing support base for the form of religious absolutism that is supported by certain kinds of Islamic fundamentalism, have both owed their success to the Internet and the mobile telephone. These have been less difficult for governments to access than they have been to track. The deregulation and democratization of these systems means that those who wish to conduct the “war of values” against democratic liberalism are able to exploit the porosity of liberal societies that is at once their strength and their weakness.

Cronin identifies some of the consequences of this communications revolution.

The effects of connectivity are not only broadening access but also actually changing the meaning of knowledge, the criteria for judging assertions, and the formulating of opinions. As more and more people are tapping into the web, the dark side of freedom of speech, indeed of freedom of thought, has emerged. What is
truly authoritative on the web? Whose ideas have legitimacy? What is worth fighting for?\(^{45}\)

As Cronin notes, this revolution is altering the patterns of popular mobilisation, including both the means of participation and the ends for which wars are fought. Significantly, it enables the recruitment, training and motivational support of individuals who do not engage in the cyber-attacks that the information security arms of government might seek to prevent, but in traditional forms of random violence.

The Internet is at the core of the insurgency in Iraq, for example. As Cronin points out, insurgent attacks are regularly followed with postings of operational details, claims of responsibility, and tips for tactical success. The use of insurgent chat rooms is monitored by the hosts and, if users seem amenable to recruitment, they are contacted via email. The communications revolution has changed the character of war and it has the potential to extend the effects of terrorism in the liberal democracies.

The technologies of the 20th century – the telephone, telegraph, and radio – forced governments to develop countervailing technologies in code-breaking and telecommunications interception. But the communications revolution has left most governments flat-footed. While there is a gradual recognition of strategic potential of the communications revolution, the fact is that counter-measures are in their infancy. To date, the focus has been on money laundering and terrorist fund-raising on the web, and monitoring the Internet for logistical coordination, terrorist communications and terrorist propaganda on websites. But the western intelligence communities are constrained in both their legal and physical ability to address consequences of the accelerating changes to the global communications environment.

\(^{45}\) op. cit., p. 84.
Information warfare has entered a new age. It is imperative that Australia, in association with its traditional intelligence allies, works to prevent the exploitation of these new technologies against the interests of the liberal democracies while, at the same time, securing these technologies for economic prosperity and national security.

Australia is on the cusp of a new strategic age. While the lessons of the past must continue to inform the evolution of strategy, they cannot determine the nature of long-term strategy or the capabilities that will be critical to guaranteeing long-term security. This policy evolution demands both respect for the past and an ability to break with it. It demands innovation in both strategic policy development and in the design of the force structures that will be central to its implementation. These are clearly huge tasks. But if Australian governments in the near term fail to address and defeat the challenge, future generations will be left both to regret the lost opportunity and to mourn the failure in courage and leadership.

In re-designing its strategic policy, Australia must recognise the significance of the changes that are already underway in global power balances and establish the fundamental principles that will guide both its diplomatic practice and its force structure. And it must do so without delay: Australia still has the opportunity to help shape some of the changes that are occurring, thereby limiting the possibility of adverse consequences. Australia also needs to address the basic issues of force structure without delay. It cannot continue to maintain a defence force built around the historical experiences of the 20th century. Instead, it must establish the force structuring principles that will allow government to take the tough decisions on which the future security of the nation will depend – decisions that deliver “decisive lethality” with such effect that no future power will wish to resort to military force in pursuit of any of its interests that might impact on Australia’s security.
Appendix 1

*Declaration of the Rights of Man and Citizen*, French National Assembly, 26 August 1789:

1. Men are born and remain free and equal in rights. Social distinctions may be founded only upon the general good.

2. The aim of all political association is the preservation of the natural and imprescriptible rights of man. These rights are liberty, property, security, and resistance to oppression.

3. The principle of all sovereignty resides essentially in the nation. No body nor individual may exercise any authority which does not proceed directly from the nation.

4. Liberty consists in the freedom to do everything which injures no one else; hence the exercise of the natural rights of each man has no limits except those which assure to the other members of the society the enjoyment of the same rights. These limits can only be determined by law.

5. Law can only prohibit such actions as are hurtful to society. Nothing may be prevented which is not forbidden by law, and no one may be forced to do anything not provided for by law.

6. Law is the expression of the general will. Every citizen has a right to participate personally, or through his representative, in its foundation. It must be the same for all, whether it protects or punishes. All citizens, being equal in the eyes of the law, are equally eligible to all dignities and to all public positions and occupations, according to their abilities, and without distinction except that of their virtues and talents.
7. No person shall be accused, arrested, or imprisoned except in the cases and according to the forms prescribed by law. Any one soliciting, transmitting, executing, or causing to be executed, any arbitrary order, shall be punished. But any citizen summoned or arrested in virtue of the law shall submit without delay, as resistance constitutes an offence.

8. The law shall provide for such punishments only as are strictly and obviously necessary, and no one shall suffer punishment except it be legally inflicted in virtue of a law passed and promulgated before the commission of the offence.

9. As all persons are held innocent until they shall have been declared guilty, if arrest shall be deemed indispensable, all harshness not essential to the securing of the prisoner's person shall be severely repressed by law.

10. No one shall be disquieted on account of his opinions, including his religious views, provided their manifestation does not disturb the public order established by law.

11. The free communication of ideas and opinions is one of the most precious of the rights of man. Every citizen may, accordingly, speak, write, and print with freedom, but shall be responsible for such abuses of this freedom as shall be defined by law.

12. The security of the rights of man and of the citizen requires public military forces. These forces are, therefore, established for the good of all and not for the personal advantage of those to whom they shall be entrusted.
13. A common contribution is essential for the maintenance of the public forces and for the cost of administration. This should be equitably distributed among all the citizens in proportion to their means.

14. All the citizens have a right to decide, either personally or by their representatives, as to the necessity of the public contribution; to grant this freely; to know to what uses it is put; and to fix the proportion, the mode of assessment and of collection and the duration of the taxes.

15. Society has the right to require of every public agent an account of his administration.

16. A society in which the observance of the law is not assured, nor the separation of powers defined, has no constitution at all.

17. Since property is an inviolable and sacred right, no one shall be deprived thereof except where public necessity, legally determined, shall clearly demand it, and then only on condition that the owner shall have been previously and equitably indemnified.
ABOUT THE KOKODA FOUNDATION

Purpose

The Kokoda Foundation has been established as an independent, not-for-profit think tank to research, and foster innovative thinking on, Australia’s future security challenges. The foundation’s priorities are:

- To conduct quality research on security issues commissioned by public and private sector organisations.
- To foster innovative thinking on Australia’s future security challenges.
- To publish quality papers (The Kokoda Papers) on issues relevant to Australia’s security challenges.
- To develop Security Challenges as the leading refereed journal in the field.
- To encourage and, where appropriate, mentor a new generation of advanced strategic thinkers.
- Encourage research contributions by current and retired senior officials, business people and others with relevant expertise.

Membership

The Kokoda Foundation offers corporate, full and student memberships to those with an interest in Australia’s future security challenges. Membership provides first-release access to the Kokoda Papers and the refereed journal, Security Challenges, and invitations to Foundation events. Membership applications can be obtained by calling +61 2 6230 5563, and downloaded from:

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