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# The Defence White Paper 2013 and Australia's Strategic Environment

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The depiction of Australia's strategic environment in the 2013 Defence White Paper has been one of its most favourably received elements. This article examines the White Paper's treatment of China's rise, and of the US-China relationship, the newly introduced construct known as the 'Indo-Pacific strategic arc', and the White Paper's renewed focus on defence engagement with Indonesia, and with Southeast Asia more generally, highlighting some of the challenges of this approach. While acknowledging the favourable reception that much of the analysis contained in the 2013 White Paper has received, the article concludes by observing that it may have over-corrected trying to redress the shortcomings of its 2009 predecessor.

## Recasting China's Rise

The depiction of China in the 2009 White Paper was arguably its most contentious aspect. The 2009 paper gave prominence to "the strategic implications of the rise of China", assigning it a separate section. China was predicted to become "the strongest Asian military power, by a considerable margin." Central to its military modernization would be "the development of power projection capabilities." This modernization was adjudged in the 2009 White Paper as being "beyond the scope of what would be required for a conflict over Taiwan" and a potential "cause for concern" amongst China's neighbours.<sup>1</sup> The 2009 iteration also referred to the prospect of "major power adversaries operating in our approaches", a judgment that commentators unanimously took as referring to China.<sup>2</sup>

Arguably the biggest headline from the 2013 White Paper is the ostensibly softer tone and approach it takes towards depicting China. In the 2013 iteration, "Australia welcomes China's rise" and "does not approach China as an adversary." It goes on to characterize China's military modernization as "a natural and legitimate outcome of its economic growth."<sup>3</sup> Yet as a number of commentators have observed, despite this softer tone there remains beneath the surface of the 2013 White Paper a 'sting in the tail' as far as its strategic depiction of China is concerned. Rory Medcalf of the Lowy Institute for International Policy, for example, observes that

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<sup>1</sup> Commonwealth of Australia, *Defending Australia in the Asia Pacific Century: Force 2030* (Canberra: Department of Defence, 2009), p. 34; paras 4.26-27.

<sup>2</sup> See, for example, Paul Dibb, 'Is the US Alliance of Declining Importance to Australia?', *Security Challenges*, vol. 5, no. 2 (Winter 2009), pp. 31-40.

<sup>3</sup> Commonwealth of Australia, *Defence White Paper 2013*, (Canberra: Department of Defence, 2013), paras 2.27-29.

buried in all that sweetness, it says plainly that Australia may need to be prepared to 'conduct combat operations to counter aggression or coercion against our partners.' That can mean many things, but one of them remains the possibility, however remote, of joining a US-led war against China.<sup>4</sup>

In similar vein, Amy King points out that the new White Paper makes frequent mention of Asia's flashpoints, with China providing a central focus:

the White Paper is exceedingly clear that these territorial disputes in Southeast and Northeast Asia are directly linked to regional states' concerns about China's military modernization.<sup>5</sup>

Unlike the 2009 White Paper, however, the 2013 version deals with China and the United States in tandem, rather than allocating separate sections. Consistent with the January 2013 National Security Strategy, which described the US-China relationship as "the single most influential force in shaping the strategic environment",<sup>6</sup> the 2013 White Paper suggests that "more than any other, the relationship between the United States and China will determine the outlook for our region." While acknowledging that some strategic competition between these two regional heavyweights is "inevitable", the new White Paper is remarkably upbeat on relations between Beijing and Washington. It predicts their most likely future as being "one in which the United States and China are able to maintain a constructive relationship encompassing both competition and cooperation."<sup>7</sup> And in what appears to be a response to the arguments of Hugh White, it asserts that

the Government does not believe that Australia must choose between its longstanding Alliance with the United States and its expanding relationship with China; nor [that] the United States and China believe we must make such a choice.<sup>8</sup>

While acknowledging that the future of the US-China relationship will be characterized by a mix of competition and cooperation, the 2013 White Paper does not specify what the balance between these two opposing ends of the spectrum might look like.

The assessments underpinning the 2013 White Paper are rather positive in this regard, seeming to imply that cooperation and the successful management of competitive tendencies are likely to prevail. That is certainly one conceivable scenario, but only one amongst many possible Sino-US security futures. A widely cited report produced recently under the auspices

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<sup>4</sup> Rory Medcalf, 'Sweet and sour in defence take on China', *The Australian Financial Review*, 6 May 2013, p. 47.

<sup>5</sup> Amy King, 'A change of tone on China', *The Drum*, 6 May 2013, <[www.abc.net.au/unleashed/4670988.html](http://www.abc.net.au/unleashed/4670988.html)> [Accessed 4 June 2013].

<sup>6</sup> Commonwealth of Australia, *Strong and Secure: A Strategy for Australia's National Security* (Canberra: Department of the Prime Minister and Cabinet, 2013), p. i.

<sup>7</sup> Commonwealth of Australia, *Defence White Paper 2013*, para 2.19.

<sup>8</sup> Hugh White, *Power Shift: Australia's Future Between Washington and Beijing*, Quarterly Essay, no 39 (Collingwood: Black Inc., 2010).

of the Carnegie Endowment for International Peace, for instance, outlines no less than six possible strategic environments that could emerge over the next two decades as a consequence of different trajectories pursued by the US, China and Japan.<sup>9</sup> To be sure, because the primary purpose of a White Paper is to outline a new policy direction, with accompanying reasoning and evidence to support that direction, it cannot afford to be as comprehensively equivocal as a lengthy policy report issued by a think tank or academic institution. Nevertheless, so as to acknowledge and 'hedge' against the range of possible futures in US-China relations, greater care could still have been taken in the wording of the 2013 White Paper to reflect this reality.

### **An 'Indo-Pacific Strategic Arc'**

Whereas the 2009 White Paper gave prominence to the term 'Asia-Pacific', including in its title, to highlight Australia's area of priority strategic focus, the 2013 iteration shifted this focus by introducing a 'new' strategic construct referred to as the 'Indo-Pacific strategic arc.' Use of this term was not unexpected. In the months leading up to the White Paper's release, Defence Minister Stephan Smith had delivered several high profile speeches giving considerable attention to the 'Indo-Pacific' idea. Foreshadowing the direction of the White Paper in an August 2012 speech to the Lowy Institute for International Policy, for example, the Minister suggested that the Indo-Pacific was emerging as "the world's centre of gravity", not least because it "will be home to three of the world's superpowers – the United States, China and India."<sup>10</sup> The January 2013 National Security Strategy had also made passing reference to the 'Indo-Pacific' construct.<sup>11</sup>

However, the focus given to the 'Indo-Pacific' in the 2013 White Paper was much sharper and of greater prominence than that afforded in the National Security Strategy. Peter Jennings cautioned the reader in this regard:

don't be fooled by the language stressing continuity between this document on the one hand and the Asian Century White Paper and National Security Strategy on the other. Of these three, the White Paper reflects by far the most sophisticated approach.

Of the Indo-Pacific, Jennings went on to observe that it represents a

far more realistic way to think about our interests than the Asian Century White Paper's approach, which is to emphasize a narrow set of relationships with a limited number of countries.<sup>12</sup>

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<sup>9</sup> Michael Swaine et. al., *China's Military and the U.S.-Japan Alliance in 2030: a strategic net assessment* (Washington D.C.: Carnegie Endowment for International Peace, 2013).

<sup>10</sup> Stephen Smith MP, Minister for Defence, 'Paper presented to the Lowy Institute on the 2013 White Paper', Lowy Institute for International Policy, Sydney, 9 August 2012.

<sup>11</sup> Commonwealth of Australia, *Strong and Secure*, pp. 17 and 30.

<sup>12</sup> Peter Jennings, 'Australia's Defence Positioning', *The Strategist*, 3 May 2013, <[www.aspistrategist.org.au/australias-defence-positioning/](http://www.aspistrategist.org.au/australias-defence-positioning/)> [Accessed 17 June 2013].

Jennings' comparison of the National Security Strategy and the 2013 White Paper is an apt one. Of the two, the former is particularly loose in its use of the 'Indo-Pacific' terminology, contending that

to define Australia's strategic setting ... use of the term "Indo-Pacific" complements the term "Asia-Pacific"—they are both useful frames through which to view Australia's national security interests.<sup>13</sup>

In reality, such an approach arguably serves to undermine the sense of coherence that the Gillard Government had been seeking to achieve by releasing a trio of White Papers in such close succession.

What distinguishes the 2013 White Paper's characterization of Australia's strategic environment in this regard is its depiction of the 'Indo-Pacific' as a 'strategic arc.' Such a depiction is reminiscent of Paul Dibb's 'arc of instability' which with Dibb used to describe the area that

stretches from the Indonesian archipelago, Timor Leste and Papua New Guinea in the North, to the Solomon Islands, Vanuatu, Fiji, New Caledonia and New Zealand in the East.<sup>14</sup>

A similar degree of precision is not quite attained in the 2013 White Paper, which provides a more general characterization of the Indo-Pacific strategic arc as covering the area "extending from India th[r]ough Southeast Asia to Northeast Asia, including the sea lines of communication on which the region depends."<sup>15</sup> Nevertheless, the utility of referring to the Indo-Pacific as a 'strategic arc' lies in the fact that it potentially allows specification of where the Indo-Pacific begins, which key players it encompasses, and where it ultimately ends. This constitutes a useful step forward.

From a purely Australian perspective, the Indo-Pacific construct is one that seems worth persevering with when thinking about Asia's evolving strategic environment. As the 2013 White Paper notes, achieving or even influencing strategic outcomes is going to become more difficult for Australia in this increasingly complex environment: "Asian countries will balance a broader range of interests and partners, and Australia's voice will need to be clearer and stronger to be heard."<sup>16</sup> Against that backdrop, because the Indo-Pacific construct places Australia at the very centre of the region, there is certainly some political mileage to be gained from encouraging potential strategic partners—particularly India and Indonesia—to think in such terms.

Convincing New Delhi to buy into the Indo-Pacific construct ought not to be very demanding, in the light of evidence that Indian strategic thinkers are

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<sup>13</sup> Department of the Prime Minister and Cabinet, *Strong and Secure*, p. 30.

<sup>14</sup> See Paul Dibb, 'The Importance of the Inner Arc to Australian Defence Policy and Planning', *Security Challenges*, vol. 8, no. 4 (Summer 2012), pp. 13-31.

<sup>15</sup> Commonwealth of Australia, *Defence White Paper 2013*, para 2.5.

<sup>16</sup> *Ibid.*, para 2.11.

readily embracing the term.<sup>17</sup> Beyond this, however, achieving broader regional 'buy in' could be problematic. It was interesting to note that at the June 2013 gathering of the Shangri-La Dialogue in Singapore, for instance, Australian Defence Minister Stephan Smith was the only official to use the term while addressing the plenary sessions.<sup>18</sup> Beijing certainly appears less than enamoured by the Indo-Pacific descriptor, perceiving it to be synonymous with America's 'rebalancing' strategy. Somewhat ironically, Washington's embrace of the term has been less than enthusiastic also, most likely due to the fact, as Michael Green and Andrew Shearer have recently observed, that American leadership in the Indian Ocean does not constitute a core US interest.<sup>19</sup>

The expansion of Australia's strategic focus during a period of growing budgetary pressures could also be problematic. Indeed, unless and until defence funding returns to the aspirational level of 2 percent of GDP stated in the White Paper—an outcome most commentators regard as unlikely for the foreseeable future—a strong case can be made that the expansion of Australia's strategic ambitions into the broader Indo-Pacific risks stretching our already strained resources dangerously thin.

## **Engaging Southeast Asia**

Militating against this latter criticism is the prominence given to Southeast Asia in the 2013 White Paper's depiction of Australia's strategic environment. Southeast Asia is described as being at the "geographic centre" of the emerging Indo-Pacific system, while a number of key institutions led by the Association of Southeast Asian Nations (ASEAN)—the East Asia Summit, the 'ASEAN Defence Ministers Meeting-plus' and the ASEAN Regional Forum—are portrayed as "establishing some of the positive foundations needed for regional security."<sup>20</sup>

Historically, of course, Southeast Asia's strategic geography has been regarded as presenting opportunities and challenges for Australian strategic policy, being both a shield from the great power machinations of Northeast Asia and as a source of potential vulnerability due to the Southeast Asian sub-region's porosity. Southeast Asian fragility, particularly that of Indonesia, was highlighted in the 2009 White Paper, which observed that

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<sup>17</sup> See, for example, C. Raja Mohan, *Samudra Manthan: Sino-Indian Rivalry in the Indo-Pacific* (Washington D.C.: Carnegie Endowment for International Peace, 2012).

<sup>18</sup> See <[www.iiss.org/en/events/shangri-la-s-dialogue](http://www.iiss.org/en/events/shangri-la-s-dialogue)> [Accessed 9 June 2013].

<sup>19</sup> Michael J. Green and Andrew Shearer, 'Defining U.S. Indian Ocean Strategy', *The Washington Quarterly*, vol. 35, no. 2 (Spring 2012), pp. 175-189.

<sup>20</sup> Commonwealth of Australia, *Defence White Paper 2013*, para 2.7.

a weak, fragmented Indonesia beset by intractable communal problems, poverty and failing state institutions, would potentially be a source of threat to our own security and to Indonesia's other neighbours.<sup>21</sup>

By contrast, Indonesian strength is emphasised in the 2013 White Paper, which describes Australia's "partnership" with Indonesia as "our most important defence relationship in the region", and includes the judgement that "Indonesia's success as a democracy and its economic growth will see it emerge as one of the world's major economies."<sup>22</sup>

The prominence given to Southeast Asia, particularly to Indonesia, in the 2013 White Paper was, once again, not unexpected. The relatively thin National Security Strategy devotes an entire page to the topic, for instance, and observes that "Maintaining the positive trajectory of that relationship is a priority."<sup>23</sup> Placing such heavy emphasis on Australia's bilateral relationship with Indonesia, whilst simultaneously conceiving of the Southeast Asian sub-region more generally as a critical hinge between the Indian and Pacific Oceans, is not entirely unproblematic. Indonesia's relationship with its Southeast Asian neighbours is a complex one. On the one hand, Indonesia is regarded by many if not most of its neighbours as the natural leader of ASEAN. At the same time, the smaller and medium sized countries of Southeast Asia remain suspicious regarding the potential for rising Indonesia to seek to operate beyond the confines of this organisation. Prominent Indonesian intellectuals such as Rizal Sukma have fuelled these fears by advocating the establishment of a post-ASEAN Indonesian foreign policy.<sup>24</sup>

Jakarta's cultivation of deeper defence ties with Canberra could play further into these apprehensions, potentially complicating Australia's Southeast Asian engagement in the process. Tim Huxley cautioned that

Canberra should not neglect its other defence relationships in Southeast Asia as these provide crucial depth to regional engagement and also a hedge against any future complications or cooling ties with Jakarta.<sup>25</sup>

The 2013 White Paper is arguably also too optimistic in its depiction of Southeast Asia's strategic environment and, consequentially, the extent to which Australia will be able to continue to deepen its defence engagement with countries in this part of the world. There is an assumption, for example, that the countries of Southeast Asia will adopt an increasingly outward looking posture as the Asian century unfolds. As the 2013 White Paper suggests with reference to Indonesia, for instance, "Indonesia's importance

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<sup>21</sup> Commonwealth of Australia, *Defending Australia in the Asia Pacific Century*, para 4.33.

<sup>22</sup> Commonwealth of Australia, *Defence White Paper 2013*, para 6.28.

<sup>23</sup> Commonwealth of Australia, *Strong and Secure*, p. 12.

<sup>24</sup> See Barry Desker, 'Is Indonesia Outgrowing ASEAN?', *PacNet*, no. 46, 8 October 2010.

<sup>25</sup> Tim Huxley, *Australian Defence Engagement with Southeast Asia*, Centre of Gravity Series (Canberra: ANU Strategic and Defence Studies Centre, 2012), p. 4.

to Australia will grow as its significant regional influence becomes global.”<sup>26</sup> However, as promising as Indonesia's economic growth rates are presently, it will be some time yet before Jakarta has the capacity to exert significant influence regionally, let alone globally—at least as far as its military is concerned. Benjamin Schreer recently observed that “The Indonesian armed forces are decades away from developing independent capabilities sufficient to protect Jakarta's maritime interests.”<sup>27</sup>

Furthermore, a longstanding tradition of non-alignment remains deeply embedded in the Indonesian psyche, which is likely also to serve as a powerful constraint upon ever deepening defence engagement between Canberra and Jakarta. As Huxley goes on to observe:

Indonesia's strong tradition of non-alignment, rooted in the strong but defensive nationalism that pervades its political culture and manifest in its “independent and active” foreign policy and Jakarta's central role in efforts through ASEAN to build a regional community in Southeast Asia and the broader Asia-Pacific, militates against any form of defence cooperation that might be seen as a proto-alliance.<sup>28</sup>

Similarly strong non-aligned proclivities are a feature of many if not most countries in Southeast Asia. One could even make the case that they are essentially hard-wired onto the ‘strategic DNA’ of these countries, which in turn offers one possible explanation for the prevalence of the ‘hedging’ strategies that the vast majority of Southeast Asian governments have evidently adopted in the face of China's rise.<sup>29</sup>

Last but not least, the Australian refocus towards Southeast Asia contained in the 2013 White Paper is also occurring against the backdrop of the Obama administration's ‘pivot’ or ‘re-balancing’ to the Asia-Pacific. Notwithstanding the continued closeness of the longstanding alliance between Australia and America—a strategic tie which the White Paper describes as “our most important defence relationship”<sup>30</sup>—some care must be taken to differentiate Canberra's ‘pivot’ from that of its American counterparts. The US ‘re-balancing’ strategy itself has a strong Southeast Asia focus, thus far involving the deployment of Littoral Combat Ships to Singapore, the deepening of strategic ties with Indonesia and Vietnam, and the reinforcing of the US-Philippines alliance, including increased American

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<sup>26</sup> Commonwealth of Australia, *Defence White Paper 2013*, para 6.28.

<sup>27</sup> Benjamin Schreer, ‘Walking among giants: Australia and Indonesia between the US and China’, *The Strategist*, 24 May 2013, <[www.aspistrategist.org.au/walking-among-giants-australia-and-indonesia-between-the-us-and-china/](http://www.aspistrategist.org.au/walking-among-giants-australia-and-indonesia-between-the-us-and-china/)> [Accessed 17 June 2013].

<sup>28</sup> Huxley, *Australian Defence Engagement with Southeast Asia*, p. 3.

<sup>29</sup> See Evelyn Goh, ‘Great Powers and Hierarchical Order in Southeast Asia’, *International Security*, vol. 32, no. 3 (Winter 2007/08), pp. 113-157.

<sup>30</sup> Commonwealth of Australia, *Defence White Paper 2013*, para 6.8.

port calls to the former US base in Subic Bay and Washington's supplying of Manila with surplus US military equipment.<sup>31</sup>

Product differentiation with the US re-balancing strategy is important for Canberra, particularly in relation to Southeast Asia. For while the alliance undeniably adds to Australia's strategic weight in this region, instances where Canberra has been seen to be mimicking US policy have traditionally not played well in this part of the world. President George W. Bush's 2003 characterization of Australia as the 'deputy sheriff' to America in the Asia-Pacific, along with the Howard Government's echoing of Bush administration rhetoric with suggestions that Canberra would consider pre-emptive strikes against Southeast Asian terrorists in order to prevent a terrorist attack on Australia, serve as cases in point.<sup>32</sup>

## Conclusions

These shortcomings notwithstanding, the 2013 White Paper's depiction of Australia's strategic environment has generally been regarded as sound and broadly sustainable. In particular, its treatment of China's rise has been reviewed in far more favourable terms than the 2009 White Paper, which was generally seen as being too alarmist. The treatment of the US-China relationship has been praised for its nuanced approach towards this relationship, and for its assertion that Canberra does not have to choose between these two regional heavyweights.

All of that said, just as the adversarial approach of the 2009 White Paper proved to be its undoing, so too might the considerably more optimistic tone of the 2013 iteration represent a vulnerability. By implying that the cooperative elements of the US-China relationship will ultimately trump its competitive potential, the new White Paper may be underestimating the deepening strategic competition already emerging between China and the United States. By emphasising an Indo-Pacific construct that few other countries are likely to adopt, the new White Paper may be going down a dead-end. Likewise, the optimism of the new White Paper may also be underestimating some of the limits to deeper defence engagement with Indonesia and the Southeast Asian sub-region more generally.

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<sup>31</sup> See Barry Desker, 'The Eagle and the Panda: an Owl's view from Southeast Asia', *Asia Policy*, no. 15 (January 2013), pp. 26-30.

<sup>32</sup> AAP, 'Howard denies Australia has "sheriff" role', *Sydney Morning Herald*, 17 October 2003; Geoffrey Barker, 'PM stands by terror remarks', *Australian Financial Review*, 3 December 2002.