
Australian Strategic Policy and the Age of Uncertainty

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The Defence White Paper proposes a force structure that will provide a sound basis for Australia's defence over coming decades. But the arguments on which it substantiates the future force structure are misconceived. Instead of conjuring up a strategic environment that will become more 'threatening', it should have focused on developing a credible risk management matrix. It should also have focused on the demands Australia faces in conducting military operations in an area that extends from north of the Indonesian archipelago to the Southern Ocean, and from the Indian Ocean to the central Pacific.

Defending Australia in the Asia Pacific Century: Force 2030 is a brave attempt to situate an ambitious force expansion plan against the rapidly changing strategic dynamics of the Asia Pacific region. The very title gives it all away: *Force 2030* is how Australia will defend itself against the uncertainties and threats generated by prospective events in Asia. The title reveals a central problem underlying the White Paper as a whole. By predicating a substantial hardening of Australia's defence capabilities on uncertainties in Asia—and implicitly the fear of a threat from China at some point in the next quarter century—the White Paper invites challenge on the robustness of its analysis. For the first time since the 1960s, this White Paper defends its force structure enhancements on the basis of possible threats, as distinct from the demands of operating in Australia's strategic environment.

The drafting of White Papers is a tricky art. Basically, they serve two purposes that do not always sit easily together. First, they provide the Australian public with an explanation of the reasons that underpin the national defence effort, and, given the cost of defence, that is important. Second, they contribute to regional military transparency by publishing the 'what' and 'why' of national defence planning. But the moment there is any hint that some regional actor may constitute a 'threat', problems arise.

It was largely for this reason that the approach developed by Defence Minister Kim Beazley during the second Hawke Government provided a clinical analysis of regional strategic dynamics in quite general terms, and then set about arguing for force structure determinants based on the geospatial demands of operations in Australia's strategic environment. In essence, this offered defence planners, and regional commentators, a physical rather than a threat basis for defence planning. The sobriquet

‘Defence of Australia’ may have implied too narrow a foundation for defence planning, though there is no doubt that it offered a robust—and regionally uncontroversial—rationale for the ‘balanced force’ that it produced.¹

Whence the Threats? Whither Australia?

The White Paper begins by addressing the theoretical and philosophical foundations that are necessary for developing a response to political and military developments in Australia’s region. A set of propositions situate the defence enterprise within the broad purview of government responsibilities. This is important, because the development of armed force by any state must be consistent with both international and domestic law. While statements like “defence planning is, by its very nature, a complex and long-term business”² are not especially enlightening, it is important to understand the nature of strategic policy, a point that the White Paper makes well.

In ‘Defence and National Security’, the White Paper turns its attention to another set of considerations that also helps to locate the defence enterprise within the broader national security domain. Here the White Paper adopts a notably conventional approach, narrowly defining national security as

concerned with ensuring Australia’s freedom from attack or threat of attack, maintaining our territorial integrity and promoting our political sovereignty, preserving our hard-won freedoms, and sustaining our fundamental capacity to advance economic prosperity for all Australians.³

This would be unexceptionable enough were the White Paper addressing the notion of ‘security’ as it obtained in the immediate post-WW2 world order. But the fact is that the concept of ‘security’ has developed in recent decades as the demands of ‘national security’ and ‘human security’ have converged. Human security issues were central to the conduct of international humanitarian operations by military forces since the end of the Cold War. The ongoing difficulties confronted by East Timor, Papua New Guinea, the Solomon Islands and Fiji also centre on human security problems. As the 21st century unfolds, and new problems such as climate change, pandemics, drugs and internationally organised criminality begin to impact on the security planning of nations, the need for a clearer articulation of the relationship between human security concerns and strategy will become more pressing.

In its treatment of future intra-state conflicts, as in the section dealing specifically with Afghanistan, the White Paper misses the real point. The

¹ The “Defence of Australia” approach to policy restored the legitimacy of the national defence effort and the credibility of the ADF in the two decades post-Vietnam. The “balanced force”, however, was an artefact of its times, and its utility may have passed. See Hugh White, *A Focused Force: Australia’s Defence Priorities in the Asian Century* (Sydney: Lowy, 2009).

² Department of Defence, *Force 2030*, para. 1.3.

³ *Ibid.*, para. 2.1.

evolving relationship between 'hard' and 'soft' power needs more thorough and sophisticated consideration as a conditioning factor impinging on military operations as the century unfolds. The world is rediscovering that the key to successful counter-insurgency operations is to isolate the civilian community from the insurgents, to deny the insurgents any support from the civilian community, to provide for the health, education and well-being of the civilian community, and to give the civilian community every reason to oppose the insurgents. While the White Paper acknowledges these key performance indicators,⁴ it singularly fails to suggest how they are to be achieved as a matter of both strategy and policy. The problems of Afghanistan cannot simply be wished away, or their solution simply prescribed.

The White Paper then segues to a more successful chapter that deals with managing strategic risk in defence planning. The concept of 'risk' is important. It is critical that Australia pursue a risk management approach to defence planning, not least of all because the costs associated with a risk avoidance approach are prohibitive. The White Paper introduces warning, risk assessment and hedging as the key tools, but baulks at providing any clarity about how Defence might go about developing a risk matrix and the supporting analytical tools to provide robust judgments.

The treatment of 'warning', for instance, pays heed to the critical importance of time as a vector in determining and managing warning. But it completely overlooks the enduring nature of *motivation* and the immediate consequences of a change in *intention* in conditioning the nature of warning. The assertion "we cannot have perfect knowledge of the future, and the range of uncertainties is disconcertingly wide"⁵ is, doubtless, as true as it is obvious. But it does not provide any insight into how those uncertainties are to be addressed in terms of risk management.

'Risk' and 'threat', though often related, are not identical. A 'risk' is not 'managed' simply by identifying some potential 'threat', and then developing specific strategies for dealing with that 'threat'. While the capabilities for national defence are deployed and employed when the 'threat' (e.g. armed attack) materialises, 'risk', as Clausewitz pointed out, actually inheres in the 'fog' and 'friction' of war. The Defence White Paper confuses risk with threat, and, in so doing, undermines the effectiveness of a risk management approach to force planning.

Australia's Strategic Outlook

It is when the White Paper then turns to 'Australia's Strategic Outlook' that the logic of the White Paper begins to falter more seriously. Many of the propositions contained in the chapter are uncontroversial enough: it is in how

⁴ Ibid, para. 2.20-23, 4.44-46.

⁵ Ibid., para. 3.20.

they are put together that the problems arise. The analytical approach is extremely linear, with assessments on the basis of observations that are generally superficial and lacking in both insight and nuance. Many of the statements are, quite simply, too baldly expressed and carelessly drafted.

The treatment accorded to the global strategic environment lacks subtlety in its inability to come to terms with the momentous nature of the fall of communism, the (re)appearance of ideological conflict in the form of Islamic absolutism, the differing forms of national power that are emerging, and the extraordinary unpredictability of the various ways in which political, ideological, economic, social and cultural forces might interact. It ignores the force of culture in the pathology of strategy, and the vulnerability of the global strategic system to the whims and decisions of individual leaders. It is almost as if, in the minds of the drafters, the global strategic system were a kind of Heath Robinson machine, with the 'rational actor' in charge.

US STRATEGIC PRIMACY

The treatment accorded to the strategic primacy of the United States⁶ neither identifies nor deals with some worrying contradictions in the current US strategic posture. While it is evident that US strategic dominance will continue throughout most of this century, the White Paper does not examine how that dominance might be conditioned by the massive indebtedness of the United States, changes to its foreign policy, the impact of demographic and sociological change in the United States, and any retreat from 'US exceptionalism' to a more poised and nuanced use of US military power.

The fact that the United States is the world's largest debtor nation is further complicated by the fact that its principal strategic competitor—China—is also its principal banker. This situation, in which the United States depends on its banker to underwrite the US bond market while the banker depends on US imports to underpin its employment levels and social harmony, has as yet unexplored consequences for both sovereignty and strategic competition. Australia is caught in the middle of these consequences. So it is curious that the White Paper offers no insight into the problem at all.⁷

The 'war against terror' conducted by the Bush Administration has led to a significant decline in the moral authority of the United States—an outcome acknowledged by leading US strategic thinkers.⁸ It should not have been beyond the White Paper to acknowledge that the policies of the Obama Administration could have profound and long-term strategic consequences.

⁶ Ibid., para. 4.14-7.

⁷ See P.H.Barratt, 'Debt and sovereignty: Another issue for the White Paper', 15 March 2009, <<http://aussieobserver.blogspot.com/2009/03/debt-and-sovereignty-another-issue-for.html>> [Accessed 19 June 2009].

⁸ See, for example, Richard L. Armitage and Joseph S. Nye, 'How America can become a smarter power', in *CSIS Commission on Smart Power* (Washington: CSIS, 2007), pp. 5-14.

THE CHINA PROBLEM

But the White Paper's treatment of the rise of China is its greatest shortcoming, for prospective military modernization in China is the principal reason for the proposed expansion and re-prioritising of Australia's military capabilities. There are several credible lines of argument that would support the White Paper's force structure recommendations.⁹ But the White Paper instead relies on uncertainties regarding China's strategic intentions. Quite simply, in the timeframes considered by this White Paper, China will have neither the intention nor the power to mount a direct attack against Australia. The chapter's key judgment is breathtaking in its naivety and lack of nuance.

Perhaps the most significant paragraph in the White paper's strategic assessment is the following:

China will also be the strongest Asian military power, by a considerable margin. Its military modernisation will be increasingly characterised by the development of power projection capabilities. A major power of China's stature can be expected to develop a globally significant military capability befitting its size. But the pace, scope and structure of China's military modernisation have the potential to give its neighbours cause for concern if not carefully explained, and if China does not reach out to others to build confidence regarding its military plans.¹⁰

No single sentence in this paragraph is untrue. The problem is that, when assembled in this way, they convey a linear, superficial and alarmist view of China's military growth. If it were not for its accelerating economic role globally, perhaps China's military expansion would be of greater international concern. But the international community is much better off with an economically prosperous China than it would be were the opposite the case. Nor does the analysis reflect on China's traditional preoccupations with Russia, or its growing concern at developments in the former Soviet republics in central Asia. China's history is one of settling its natural borders—principally on ethnic and linguistic grounds—and maintaining its social and political unity. Even the great 1405 armada of Zheng He was concerned with trade and tribute rather than conquest and occupation.

Basically, the White Paper does not overstate China's military strength: it fails to explain the strategic effect of China's military strength, or its distributed significance in the regional and global strategic environments.

⁹ It is beyond the scope of this essay to advance the force structure arguments that the White Paper should have elaborated. Regional force dispositions and force acquisition are the backdrop against which Australia needs to plan its own capabilities. The prospect, for example, that Australia is more likely in the future to need to deal with military problems arising beyond the Indonesian archipelago in cooperation with Indonesia (a distinct from the outmoded view that Australia must be able to deal with an attack by Indonesia) suggests that Australia's strategic boundary has shifted north, with inevitable force structure consequences. The White Paper's force structure recommendations, particularly the expansion of the submarine Force Element Group, appear generally to meet such new battle-space demands.

¹⁰ Department of Defence, *Force 2030*, para. 4.26.

The White Paper also fails to situate China's military planning within its overall domestic policy priorities. In mid-2006, then-Opposition foreign affairs spokesman, Kevin Rudd, addressed an Asialink executive awareness program at the Australian National University. He listed China's policy priorities in the following order, which would appear to represent China's contemporary priorities reasonably well:

- To continue to provide food and shelter for the Chinese people
- To grow China's economy
- To maintain the power and authority of the Chinese Communist Party and the dominance of the Central Committee
- To preserve the territorial and social unity of China
- To provide for China's defence against external aggression.¹¹

China's military expansion plans are a cause for concern, not least of all for its near neighbours. And because of Australia's dependence on the economic stability of the Asian region, it is prudent that China's military potential is taken into consideration in Australia's strategic planning. But it is a pity that the White Paper leaves the impression that China's military expansion is an implicit driver or determinant of Australia's force structure.

The White Paper appears to be innocent of any insight into China's own strategic planning paradigm, and how China's approach to strategy differs from that of the United States, or Australia for that matter. China's design and articulation of strategy is thoroughly consistent with the 'zero-sum-game' premise on which Sun Tze based his famous treatise *The Art of War*.¹² The passive aggression that has distinguished China's conduct in the great power contest it endures with the United States and Russia is quite consistent with its traditional strategic posture. It is also the bedrock on which its position as a *status quo* power rests. But as China expands its military capabilities, it will become a more assertive power, though always within the boundaries of its preference for the *status quo*.

Australian strategic planning needs to recognise that China continues to be very much a *status quo* power, and that the consequences for China of any form of military adventurism would be significant. For the best part of two millennia, China has been an inward-looking, largely xenophobic country that prefers to keep other nations at a distance, managing its relationships with them on a one-to-one basis. For China, the prospect of having the entire region ranged against it would be unthinkable.

¹¹ The author attended Mr Rudd's presentation. In response to a question, Mr Rudd said that he did not believe that China harboured aggressive intentions towards any country.

¹² See Allan Behm, 'Australia's Strategic Options in the US-China Relationship', in D.W. Lovell (ed.), *Asia-Pacific Security: Policy Challenges* (Canberra: Asia Pacific Press, 2003), pp. 47-60.

OTHER REGIONAL AND GLOBAL ISSUES

The White Paper deals more successfully, though summarily, with the emerging strategic trends in South East Asia, and trends in East Timor and the South Pacific are given appropriate attention as possible drivers of Australian peace stabilization and humanitarian assistance deployments. Its short commentary on Indonesia would have been much improved had it adverted to the strategic importance of good and long-term relationship management by both Australia and Indonesia. Diplomacy is a core strategic tool, and the White Paper would have done well to factor it in more substantially. For it is the case that the terms of Australia's traditional preoccupation with Indonesia have changed substantially: Australia is less concerned with defence *from* Indonesia than it is with defence *with* and *through* Indonesia.

Successive Australian Governments have made substantial political investments in APEC, ASEAN and the ASEAN Regional Forum (ARF). While the Howard Government allowed the Canberra Commission to wither on the vine, its resurrection as the International Commission on Nuclear Non-proliferation and Disarmament is a significant initiative of the Rudd government. All of these institutions are important strategic assets to Australia. As the Labor inheritor of the Keating Government's APEC initiative, it is surprising that the Rudd Government's Defence White Paper failed even to touch upon the strategic impacts of strong global and regional economic mechanisms. And it is even more surprising that, given the Defence Organisation's support for the ARF's work on transparency and preventive diplomacy over many years, the constructive role of regional multilateral bodies in maintaining strategic stability is overlooked.

One of the most difficult 'new' problems is the 'old' one of nuclear power generation and nuclear weapons. The White Paper adopts a decidedly conventional position on this issue. It does not raise the possibility that a significantly reinvigorated set of international non-proliferation initiatives may be required, nor does it consider biological or chemical weapons proliferation. Australia's possible role in the tightening of nuclear non-proliferation controls is ignored, notwithstanding the fact that Australia has approximately one third of the world's easily recoverable uranium ore. This is a matter of enormous strategic significance, especially in view of the possible effects of Iran's acquisition of nuclear weapons. Might Egypt, for instance, with its substantial nuclear industry, be tempted to follow suit?

The Prospective Strategic Environment

In addressing the future international order, the White Paper correctly notes that "the interests of the United States, China, Japan, India and Russia intersect",¹³ as do various other factors that constitute the global strategic

¹³ Department of Defence, *Force 2030*, para. 4.19.

environment. But while it is important to identify those principal players, it is more important to analyse how the myriad factors that will condition the behaviours of the key players impact on each other, how they “intersect”, and what the consequences of those interactions might be.

The emerging strategic environment is boundaried by a number of ‘known unknowns’, for example: How stable are Asia’s economies over the next two decades? How will Indonesia manage its population growth, Islamic fundamentalism and democratization processes? How will Vietnam grow its economy, and will its old-guard communist style of government change? How will Japan deal with demographic change? Can the North Korea survive economically? Is reunification with South Korea a real possibility? Will Russia re-arm, and if it does, will it re-build a Pacific fleet? Will China be able to integrate the technologies necessary for it to build a force projection capability? How will regional countries respond to China’s political and strategic regional dominance? Will the United States remain strategically engaged with Asia? What are the strategic consequences of US debt? Will terrorism spread in South East Asia as the result of economic and political inequalities? What are the consequences of an increase in the number of states with nuclear weapons? What will be the strategic consequences of a flu pandemic? Or of rising sea levels and the consequent salinity of agricultural lands in archipelagic South East Asia? Will climate change result in significant population movements in Asia?

These factors, together with many others, interact in unpredictable ways. And many of those interactions have serious security implications for Australia, with the resultant potential for the employment of the Australian Defence Force. It is something of a cop-out for the White Paper to say that “the range of even moderately likely strategic futures is wide”.¹⁴ At the very least, it should have identified some of the drivers of those likely strategic futures. And it should have offered some view on the risks that might arise as they intersect, and suggested how contemporary force planning might help Australia to mitigate those risks. As Clausewitz noted, ‘war is the continuation of policy by other means’: it is politically conditioned—its causes are political, its strategic purposes are political, and its outcomes are political. This is why it is essential that strategic planning documents take into account the political and economic circumstances that structure the non-physical environment within which war takes place.

Australia’s Strategic Posture

Its loosely drafted propositions and inadequately considered ideas notwithstanding, the Defence White Paper establishes a robust strategic posture. The task will be for government and the Defence organisation to deliver it. The focus on enhanced capabilities to operate conclusively in

¹⁴ Ibid., para. 4.4.

Australia's maritime approaches, while at the same time providing a credible deterrent 'trip wire' in the form of state-of-the-art submarines, is an appropriate response to the significant uncertainties that distinguish the future international order.

There is no doubt that the international order is evolving, and that the way in which power is expressed and used in the mid-21st century will differ markedly from what the global community has become familiar with since 1945. The interaction between economic and political strength, the expression of that interaction in military power, the internationalisation of markets, the globalisation of communications, the preservation of cultural mores at the local level—all combine to create an international order full of challenges and 'unknowns'.

For Australia, this means placing a clear priority on full engagement with the international community in establishing the 'rules' on which a rules-based system can work, while at the same time hedging the risk of the rules failing. This requires an assertive diplomacy and a credible defence capability. The development of a rules-based international system is critical if the threats that arise from terrorism, weapons of mass destruction, an unfettered drug trade, uncontrolled international criminal cartels and the human security consequences of climate change and pandemics are to be addressed. The White Paper would have done well to draw a closer set of strategic linkages between Australia's diplomacy and defence.

At this point, however, Australia's strategic culture (as distinct from its strategic posture) does not appear to have matured to the extent that a more comprehensive 'whole-of-government' approach to strategic policy is possible. What the White Paper reveals is not simply a problem with drafting: it is a problem with thinking.¹⁵ It is also a problem of perspective. Implicit in the White Paper's treatment of Australia's strategic environment is the view that, somehow or other, Australia is not actually part of that environment, but rather an observer or spectator:

Australia's most basic strategic interest remains the defence of Australia against direct armed attack. ... This most basic strategic interest abides *irrespective of the perceived intentions of others*, and is a function of our geography and levels of current and future capability in the region around us.¹⁶

This assumption of 'otherness' is consistent with much of Australia's traditional approach to strategic policy, whether it is a preoccupation with the question of Australia's being *in* but not *of* Asia, or choosing between its *history* and its *geography*. Perhaps it reflects that basic insecurity that

¹⁵ It is well to note a wise observation by Sir James Plimsoll, a former Secretary of the then-Department of External Affairs, who said: "Not all good thinkers can write well, but I have found that anyone who can write well also thinks well" (conversation with this writer, September 1980).

¹⁶ Department of Defence, *Force 2030*, Executive Summary, p.12. Emphasis added.

derives from Australia's character as a relatively small immigrant community on a vast and often hostile continent of bushfires, "droughts and flooding rains", as Dorothea Mackellar observed. Or perhaps it reflects that sort of incomprehension that Joseph Conrad captured in *The Heart of Darkness* where that which is different and not understood is 'objectified' or 'reified'.

To claim, however, that Australia's basic strategic interests exist in isolation from the reality of the regional and global strategic environment—'irrespective of the perceived intentions of others' (whatever the force of the term 'perceived' might be in this context)—is nonsense. Strategic interests cannot exist in a vacuum, but only in the context of the world in which those interests can be realised. Australia is hardly an alien in an alien world: it is an active participant in the business of the regional and global communities, and needs to come to terms with the strategic consequences of that fact.¹⁷

It is always difficult to meld new thinking with conventional approaches to policy. But policy evolves over time anyway. The strategic consequences of climate change, the interaction between national security and human security issues, the strategic imperatives of cyber-warfare, the combination of 'soft power' and 'hard power' into 'smart power'—all need to be drawn into a contemporary analysis of Australia's strategic outlook. This is the challenge that the 2009 White Paper fails to meet. It is certainly the challenge of future White Papers. In this regard, the proposal that Australia develop a "quinquennial White Paper"¹⁸ is a good one. Like the *Quadrennial Defense Review* produced by the US Pentagon, a five-yearly update would appear to meet the challenges of frequency and complexity. By 2014, the global financial crisis will have receded, and the global community will be creating new opportunities and making new mistakes. It is to be hoped that the arguments supporting the 2014 White Paper's force structure ideas are more cogent, compelling and convincing than those of the current White Paper.

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¹⁷ For some enlightening commentary on "otherness" and "othering", see Jock Young, *The Vertigo of Late Modernity*, (London: SAGE Publications, 2007), pp. 141-3, and 211-3, and Edward Said, *Culture and Imperialism* (London: Vintage Books, 1994), particularly ch. 1.

¹⁸ Department of Defence, *Force 2030*, para. 3.24.