



## The Problem with the Concept of a Rules-Based Global Order as Strategic Policy Guidance.

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### SYNOPSIS

**‘Rules-based global order’ is the rhetorical touchstone of the 2016 Defence White Paper, providing the conceptual basis for the third Strategic Defence Interest; ‘a stable Indo-Pacific region and a rules-based global order’. This provides strategic planners with the lens with which to view Australia’s relationship with both the United States and China. Given the billing it received in the white paper, just how useful is ‘rules-based global order’ for guiding a large aspect of Australia’s strategic policy? This paper argues that China has its own concept of a rules-based global order that is not compatible with Australia’s view, as articulated in the white paper. Australia’s strategic policy will therefore not be adept for operating in the future of the Indo-Pacific. Instead, Australia should articulate and assert where its interests differ from that of China’s and use this to build an international normative consensus around clearly defined acceptable behaviour.**

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The white paper characterises the rules-based global order as 'a shared commitment by all countries to conduct their activities in accordance with agreed rules which evolve over time, such as international law and regional security arrangements'. It notes that the rules-based global order is underpinned by a system of global governance that has developed since World War II – a system which has supported Australia's security and economic interests for 70 years. The white paper also acknowledges the central role that the United States in this system, by underpinning peace and stability in the Indo-Pacific.

Based on this concept, the white paper states Australia's third Strategic Defence Interest as 'a stable Indo-Pacific region and a rules-based global order' and states that the complimentary Strategic Defence Objective is to 'contribute military capabilities to coalition operations that support Australia's interests in a rules-based global order'. This third Strategic Defence Interest is the most important of the three because as the white paper notes, 'there is no more than a remote chance of a military attack on Australian territory by another country'. Conversely, the rules-based global order is 'under increasing pressure and has shown signs of fragility'.

The increased pressure is particularly apparent in the Indo-Pacific region with which the third Strategic Defence Interest is most concerned. Military spending across the region has increased over the last decade, enabled by increasingly wealthy economies and fuelling territorial disputes. While all countries around the South China Sea have increased their military spending over the period, this trend is most apparent in China, which has increased its spending by 132 per cent to an estimated \$215 billion, or 49 per cent of regional spending (see [SIPRI's annual report on military expenditure](#) for more information). With this newfound brawn has come an increasingly assertiveness in territorial claims, including the much-documented land reclamation activities and the construction of the '[great wall of sand](#)'. This activity has led to increased uncertainty and tension in the region and signs of fragility in the rules-based global order.

Despite this tension and fragility, Australia is happy with the erstwhile status quo of US primacy in the Indo-Pacific. After all, US primacy has provided Australia with remarkable economic opportunity and strategic stability since the end of World War II. However, though the white paper states that the United States will remain the pre-eminent global military power over the next two decades, their power will probably diminish in the Indo-Pacific. China has an increased ability to set the terms in its own backyard

of the South China Sea. It has shown the will to test the boundaries of US primacy, most recently in the form of an 'unsafe' [interception of American military aircraft](#) over the South China Sea, and the less headline grabbing but just as destabilising [use of fishing fleets](#) to push territorial claims.

The white paper recognises this trend but commits Australia to the maintenance and support of a fragile order in the hope that it can continue to provide the prosperity and security to which Australia is accustomed. The Trans-Pacific Partnership (TPP) is an example of Australian efforts to maintain this fragile rules-based order. The TPP, ostensibly a multi-national trade agreement, is a vehicle for promoting US economic leadership and influence while diminishing China's. Australia has committed to the rules-based global order and instruments like the TPP because it agrees with [President Obama](#) that 'America should write the rules. America should call the shots. Other countries should play by the rules that America and our partners set, and not the other way around'.

The problem with this policy approach is that China believes that it should be calling the shots in its immediate region. Australia's commitment to a rules-based global order and pursuant policies supposes that the US and its partners can continue to set the rules and norms of international behaviour. However, China's actions in the South China Sea demonstrate the challenges the US and its partners face in maintaining the status quo. The rules-based world order concept supposes that China's undesirable and destabilising behaviour can be limited for the benefit of all. In doing so, the white paper buys into the now dated US rhetoric of China being a 'responsible stakeholder' as it emerged as a great power in the international system. This may have been appropriate when China still followed Deng Xiaoping's axiom of 'hide your strength, bide your time', but as the events of the last few years have shown, this is no longer the case now.

The West's concept of a rules-based global order ostensibly targets China in an attempt to provide a normative concept to curtail its undesirable behaviour. However, Chinese academics and policymakers may not necessarily disagree with the basic idea of a rules-based global order. The contention would not be about that concept itself, rather it would lie in what the rules are and which rules are more important. To an Australian policymaker these rules may seem obvious: compliance with international law, free access to global commons, and participation in multilateral institutions, including security arrangements. However, from a Chinese perspective, the cardinal rules would be sovereignty and non-interference. Indeed, even today the rules may look a lot like the [Five Principles of Peaceful Coexistence](#) from the 1950's. These are mutual respect for each other's territorial integrity and sovereignty, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and cooperation for mutual benefit, and peaceful co-existence. Though over half a century old and arising from a very different set of strategic and political circumstances, these principles still provide a useful prism for understanding how Chinese policy makers may view the rules of a rules-based global order.

The South China Sea conflict remains intractable because China's actions, though they undercut the US-led rules-based order, fit neatly in their own rules-based order. Most Australian policy makers would highlight the apparent contradiction between the second principle of mutual respect for each other's territorial integrity and sovereignty, and the territorial disputes and land reclamation in the South China Sea. However, from a Chinese perspective, the waters and territory of the South China Sea are an inherent part of China. China's belief that the territory within the nine-dash line is a part of China is deeply engrained in their national psyche. As China sees it, other countries should respect China's territorial integrity in the South China Sea and not interfere in their internal affairs. From their perspective, activities like freedom of navigation exercises do not respect China and break the rules China believes should guide behaviour. Acting in accordance with international law and security arrangements – another rule to which Australia adheres – again contravenes the principles in which China believe. China sees international law as unnecessarily interfering in China's internal affairs and regional security arrangements as US tools to contain China – aimed at preventing China from peacefully taking its rightful place as a great power.

Based on this Chinese perspective and the strategic reality of the Indo-Pacific, the West's concept of a rules-based global order is a problematic concept to guide Australian strategic policy. It continues the trend of Australian governments not asking the hard questions about Australia's strategic future, instead seeming to continue to rely on good fortune to deliver Australian security and prosperity. Given the recent trajectory of Chinese power, China is going to be able to increasingly assert its interests and concept of the rules. This does not mean that Australia should abandon its world view and principles. Rather, it should play an activist middle power role in building an international normative consensus around clearly defined acceptable behaviour. This should be supported by an unapologetic articulation and assertion of where Australia's interests differ from that of China. Without this, Australia will cede the strategic narrative of the Indo-Pacific, and through this, may lose the order that supports our interests and prosperity.