

The 2016 Defence White Paper's Assessment of Australia's Strategic Environment

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Australia's strategic environment is most influenced by three factors: the status of the US-China relationship, America's willingness to defend the rules-based global order in Asia, and the stability of the Asian region. This commentary examines the 2016 Defence White Paper's analysis of these three factors and examines its overall narrative. As a public document, the White Paper is necessarily limited in its ability to frankly assess the most serious challenges in Australia's strategic environment and the threat they pose to national security. However, there is a risk that the document's optimistic narrative discourages a thoughtful consideration of the changes in Asia's regional order.

The US-China Relationship

Like the 2013 Defence White Paper, the new White Paper (DWP2016)¹ strikes a generally optimistic tone on the US-China relationship. It does caution that the US-China relationship will be "characterised by a mixture of cooperation and competition", and notes specific points of friction such as freedom of navigation and cyber espionage. However, DWP2016 generally downplays the risks associated with US-China tensions: because "the governments of both countries have publicly committed to a constructive relationship and it is not in the interests of either country to see an unstable international environment", DWP2016 assumes that cooperation, not conflict, will dominate the relationship (para 2.14).

Like previous White Papers, the 2016 iteration suggests the economic relationship between these two countries provides the ballast that will steady the ship during any security tempest.² DWP2016 seems to suggest that Chinese restraint—not concessions from other countries—will ensure a peaceful Asia. It notes that

¹ Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2016).

² See, for example, Department of Defence, *Defence White Paper 2013* (Canberra: Commonwealth of Australia, 2013), paras 2.19-2.20; and Department of Defence, *2016 Defence White Paper*, para 2.14.

newly powerful countries ... have a responsibility to act in a way that constructively contributes to global stability, security and prosperity. However, some countries ... have sought to challenge the rules that govern actions in the global commons of the high seas, cyberspace and space in unhelpful ways, leading to uncertainty and tension. ... Refusal to act in ways consistent with international law and standards of behaviour ... creates international uncertainty, endangers populations and impacts economic activity. (paras 2.24-2.25)

The White Paper suggests that “newly powerful countries ... have a responsibility to act in a way that constructively contributes to global stability”, but it does not acknowledge significant evidence which suggests that China has no intention of meeting these expectations. When President Barack Obama announced the “pivot to Asia” in November 2011, he proclaimed America’s intention to “advance security, prosperity and human dignity across the Asia Pacific”. Since then, China has carefully—but aggressively—pursued its goals in Asia. It has seized territory (the Scarborough Shoal) from the Philippines and refused to withdraw despite promising to do so.³ It stationed an oil rig in Vietnamese waters, and established an East China Sea air-defence identification zone without first consulting its neighbours. It has intercepted US aircraft and naval vessels in reckless ways, thus risking a repeat of the April 2001 EP-3 crisis. The Chinese Coast Guard continues to aggressively defend Chinese fishing vessels operating in the waters of Southeast Asian countries, like Indonesia.⁴

The issue of land reclamation in the South China Sea territorial dispute neatly illustrates DWP2016’s reluctance to confront the challenges posed by Chinese policies. DWP2016 expresses Australia’s concern “that land reclamation and construction activity by claimants raises tensions in the region”, and bluntly notes that “Australia is particularly concerned by the unprecedented pace and scale of China’s land reclamation activities” (paras 2.77-2.78). While the White Paper is forthright on this point, it does not join the dots and squarely address the overall results of China’s efforts. It talks about protecting the rules-based order in Asia but overlooks the fact that, as each day passes, China is slowly constructing and consolidating a new status quo in the South China Sea.

Rather than consider the possibility that these actions might represent deliberate, well-considered policy constituting a substantial security challenge for Australia, DWP2016 seems to assume misunderstanding or miscommunication. It suggests that “regional stability” can be served by China “being more transparent about its defence policies” (para 2.12).

³ See Ely Ratner, ‘Learning the Lessons of Scarborough Reef’, *The National Interest*, 21 November 2013; and Mira Rapp Hooper, ‘Uncharted Waters: Extended Deterrence and Maritime Disputes’, *The Washington Quarterly*, vol. 38, no. 1 (2015), pp. 127-46.

⁴ See ‘Indonesia Rebuffs China’s Demand that Fishermen be Released’, *The New York Times*, 23 March 2016.

Phrases such as this imply that misunderstandings—not deliberate efforts to change the status quo—are the root cause of current security tensions. It is unclear as to whether these optimistic statements are merely for public consumption, with more hard-headed analysis and planning occurring behind the scenes, or whether they reflect a reluctance to fully acknowledge the regional security challenges posed by China.

The future of the US-China relationship is of immense importance to Australian security, but the White Paper does not consider some of the most important questions about this relationship. What will the United States do if China continues to behave in an aggressive manner? Can Chinese aggression be deterred at a cost that America, Australia and other nations are willing to pay? To what degree should this possibility influence Australia's force posture?

The DWP's Analysis of the Rules-Based Global Order

As noted by Greg Raymond, DWP2016 contains a proliferation of the “rules-based global order” idea (fifty-six mentions in 2016, but only six in the 2013 White Paper).⁵ Frustratingly, DWP2016 does not provide a definition of the rules-based global order (RBGO) concept, but says it “supports the peaceful resolution of disputes, facilitates free and open trade and enables unfettered access to the global commons to support economic development” (para 2.19). It “means a shared commitment by all countries to conduct their activities in accordance with agreed rules which evolve over time”.⁶ Implicitly in some places, and more explicitly in others, DWP2016 credits the United States with the creation, sustainment and protection of the post-World War Two order. It notes that the RBGO is underpinned by “a broad architecture of international governance which has developed since the end of the Second World War ... including the United Nations, international laws and conventions and regional security architectures” (para 2.22).

Next, it alludes to the fact that the success and durability of the RBGO is dependent on “The global strategic and economic weight of the United States ... The world will continue to look to the United States for leadership in global security affairs and to lead military coalitions that support international security and the rules-based global order” (para 2.8). Put bluntly, DWP2016 acknowledges that the maintenance of the rules-based global order depends on American military power. The White Paper does acknowledge that the RBGO is under some pressure: “The framework of the rules-based global order is under increasing pressure and has shown signs of fragility ... newly powerful countries want greater influence and to challenge some of the rules in the global architecture established 70 years ago” (para 2.23).

⁵ Greg Raymond, ‘Playing by the Global Rules’, *The Canberra Times*, 26 February 2016.

⁶ Department of Defence, *2016 Defence White Paper*, p. 15.

Interestingly, DWP2016 seems to suggest that Australia does not support a total and uncompromising defence of the RBGO. Instead, Australia is “committed to making practical and effective military contributions to global security operations to maintain the rules-based order ... *where it is in our interest to do so*”.⁷ There is also some suggestion that the RBGO may not necessarily be fixed, as it contains “agreed rules which evolve over time”.⁸

The White Paper’s Optimistic Take on America’s Role in Asia

Despite acknowledging that the RBGO is under pressure and could gradually evolve, the 2016 White Paper presumes that the current order will be preserved. This is a significant assumption that results in unwarranted optimism about Australia’s future security situation. While the White Paper acknowledges that the RBGO is being challenged, it also commits Australia to “working with the United States and like-minded partners to maintain the rules-based order by making practical and meaningful military contributions where it is in our interest to do so” (para 2.27). This statement contains two assumptions—that challenges to the global order will be rebuffed by military force, and that the United States has both the interests and capabilities required to defend the RBGO.

However, despite the prominence of the pivot/rebalance, the United States has—so far—failed to prevent China’s minor revisions of the regional order, particularly in the South China Sea. Rather than squarely consider the degree to which the RBGO is underpinned by American military power and their willingness to use it, the White Paper simply notes that “The levels of security and stability we seek in the Indo-Pacific would not be achievable without the United States” (para 2.9), and that Australia will support “the United States’ role in underpinning the stability of our region through its rebalance” to Asia.⁹ The White Paper does not elaborate on what elements of the global order are worth defending with military force, or how the order might evolve. Given that current circumstances in Asia are already forcing regional countries to consider these issues, the White Paper could have more forthrightly acknowledged the indispensable role previously played by the United States. It also could have publicly considered the risk that the United States may decide—or has already demonstrated—that it is no longer willing to defend certain elements of the RBGO.

Australia needs to urgently consider the risks that would be posed by a change in America’s strategic posture. What elements of the global order does Washington truly consider non-negotiable? On what issues should we

⁷ Ibid., p. 15, emphasis added. The “where it is in our interest to do so” phrase is also used in paragraph 2.27.

⁸ Ibid., p. 15.

⁹ Ibid., p. 17.

encourage America to compromise with China, and on what issues should we encourage the United States to stand firm? What elements of the global order will we defend, either in a coalition or by ourselves? Might America sacrifice the interests of its allies to further its own?¹⁰

The Asian Security Order

The 2016 White Paper's depiction of Asia's security order is brusque and lacking in nuance. Its division of Asia into 'North Asia', 'South Asia' and 'South-East Asia' overlooks the activities and relationships that defy categorisation into a specific sub-region.

One of the most significant developments in recent years has been the intensification of the military relationships between Asian countries. Japan, in particular, has been active: boosting defence activity with Vietnam, the Philippines, India and Australia. Often, the subtext of this is Chinese activities in Asia, and the shared interest that these countries have in preventing further changes to the status quo. DWP2016 is silent on these trends—it offers no comment or judgement as to whether they are conducive to security and stability in Asia. The most specific it gets is that “Australia welcomes the prospect of Japan playing a larger role in international security” (para 2.91).

There is little discussion of what developments will worsen or improve stability and security in Asia. We learn that Australia welcomes “positive developments”, such as leadership meetings between China, Japan and South Korea, but there is no serious engagement with the most substantive issues (para 2.90). These include the fractious—but slowly improving—China-Japan relationship, the role of the US-Japan alliance, Beijing's strengthening belief that defence cooperation in the region is part of an agreed or tacitly supported containment strategy, Sino-US competition for influence among South-East Asian states such as Myanmar and Thailand, and the possibility of Sino-Russian cooperation on certain security matters.

While previous White Papers have not explored these relationships and developments in great detail, these are important for any assessment of Australia's strategic environment in 2016. Readers of DWP2016 would have benefited from some analysis of these aspects.

The White Paper's Overall Narrative, and Its Flaws

The 2016 White Paper's overall narrative on Asian security consists of four contestable propositions: (1) the current RBGO should be maintained, (2) the United States has the capability and intent to defend it, (3) Australia will

¹⁰ For example, the 1979 abrogation of the US-Republic of China Mutual Defense Treaty and the establishment of diplomatic relations between the United States and the People's Republic of China.

assist America in this task, and (4) the responsibility for avoiding conflict lies on “newly powerful countries” who should refrain from challenging the existing order (para 2.24).

However, whatever went on behind the scenes, DWP2016 does not publicly subject these four assumptions to any critical analysis, and some internal contradictions are left unresolved. It proclaims Australia’s willingness to defend the RBGO, but also hints that this order can “evolve over time”.¹¹ The White Paper never squares this circle by explaining what elements of the RBGO might evolve over time, and under what circumstances. Some would argue that the RBGO is already evolving, as Chinese aggression in Asia slowly creates a new status quo. In this context, the use of the ‘rules-based global order’ phrase obscures the degree to which Chinese aggression has already changed the status quo in Asia, and some commentators have called for a greater acceptance of this idea.¹²

This rounds on the second assumption: that the United States has the capability and intent to defend the RBGO. In recent years America has conducted military operations in an effort to signal that it will not allow China to unilaterally change the status quo, but China has done exactly that. These operations—flying through the East China Sea Air Defence Identification Zone, two Freedom of Navigation Operations (FONOPs) within twelve nautical miles of contested features, and assisting the Philippines to resupply its ship-cum-outpost, the *Sierra Madre*—have not deterred further aggression, or reassured nervous allies.¹³ Such trends are an unwelcome but real challenge to the DWP’s comfortable assumption that America’s “rebalance demonstrates the commitment of the United States to the long-term security of the Indo-Pacific” (para 2.09).

The third assumption, that Australia will assist the United States in upholding the RBGO, is of course contingent on the second assumption, but as a signalling device it serves an important purpose. DWP2016 notes that “Australia does not have the capacity to unilaterally protect and further our global security interests. This means we will be working with our alliance

¹¹ Ibid., p. 15.

¹² See Iain Henry and Greg Raymond, ‘Facing Reality in the South China Sea’, *The Canberra Times*, 18 February 2016; Zack Cooper, ‘Saving Ourselves from Water Torture in the South China Sea’, *War on the Rocks*, 23 February 2016, <warontherocks.com/2016/02/saving-ourselves-from-water-torture-in-the-south-china-sea/> [Accessed 8 April 2016]; and Charles Glaser, ‘A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation’, *International Security*, vol. 39, no. 4 (Spring 2015), pp. 49-90.

¹³ These operations were depicted as being intended to reassure US allies in Asia. See, for example, ‘White House Moves to Reassure Allies With South China Sea Patrol, but Quietly’, *The New York Times*, 27 October 2015. For detail on how the United States apparently assisted the Philippines in its efforts to resupply the *Sierra Madre*, see ‘AFP uses couriers to foil China spies’, *Philippine Daily Inquirer*, 29 April 2014. See also ‘Obama Runs China’s Pivot Gauntlet’, *Asia Times Online*, 22 April 2014. The possible role of US support for the Philippines in this incident is often overlooked by commentators.

partner the United States ... and other partners to achieve our common goals in protecting and promoting a stable rules-based global order” (para 2.21). With such statements, Canberra is trying to signal that if America is willing to defend the status quo more vigorously—and accept the risks concomitant with this—then Australia will shoulder its share of the burden.

DWP2016’s fourth assumption—that responsibility for avoiding conflict lies on “newly powerful countries” (para 2.24), who should resist the temptation to challenge the status quo—is tempered somewhat by the acknowledgements that the RBGO can “evolve over time”.¹⁴ This phrase hints that it may not be in Australia’s interest to resist every challenge to the RBGO. However, this idea is not examined in any rigorous manner. Under what circumstances might the RBGO evolve, and in response to what pressures? If the RBGO “has helped support Australia’s security and economic interests for 70 years” (para 2.23), under what circumstances would we not defend it, or certain elements of it? Will we accept changes to the global order if the alternative is conflict? If yes, which ones? Should and, if so, how do we encourage the region to accept that the old status quo has gone? What will the new ‘red-lines’ be, and how can these be communicated in a way that aids security and stability?

Many analysts will suggest that due to its status as a public document, these issues cannot be fully and frankly explored in the Defence White Paper. This argument has merit and this comment is not suggesting that all of Australia’s strategic concerns need to be publicly expressed in the White Paper. It may be that the concerns identified above are being carefully considered by Canberra. Sadly, however, there is little evidence to support this claim. It is equally possible, and perhaps probable, that the White Paper’s optimistic narrative is an accurate representation of official beliefs.

Perhaps encouragingly, it is also unclear as to whether the White Paper’s narrative is fully supported by Australia’s new Prime Minister, Malcolm Turnbull, who has subsequently commented that Australia will “embrace” an “emerging multipolar reality”.¹⁵ Sam Roggeveen notes this sentiment is not well articulated in DWP2016, which instead “implies that Australia is dedicated to defending the existing US-led order”.¹⁶ Turnbull’s comments raise the prospect of his own assessments differing from those contained in the White Paper.¹⁷ Given that the 2016 White Paper was mainly written under Turnbull’s predecessor, Prime Minister Tony Abbott, it remains unclear

¹⁴ *Ibid.*, p. 15.

¹⁵ Malcolm Turnbull, ‘2016 Lowy Lecture’, Speech to the Lowy Institute for International Policy, Sydney, Australia, 24 March 2016.

¹⁶ Sam Roggeveen, ‘Between the Lines of Malcolm Turnbull’s Lowy Lecture’, *lowyinterpreter.org*, 24 March 2016.

¹⁷ It is also worth noting that DWP2016’s narrative departs significantly from Turnbull’s prior commentary on Asia. See Malcolm Turnbull, “Same Bed, Different Dreams”—Asia’s Rise: A View from Australia’, Speech at the London School of Economics, 5 October 2011.

as to whether it represents a genuine articulation of the Turnbull Government's outlook.

The risks Posed by an Overly Optimistic Narrative

DWP2016's analysis of Australia's strategic environment is overly optimistic: it downplays China's challenge to the status quo and overstates America's willingness to defend it. Like the rest of Asia, Australia has not yet figured out how to respond to this unpleasant situation. But instead of confronting the unpalatable truth, the White Paper reassures us with ideas of preserving the US-led order in Asia.

Though understandable, our reluctance to frankly confront these challenges carries certain risks. Viewed from Washington DC, Australia's talk about upholding the RBGO might seem slightly spurious, given that Canberra has not yet 'walked the walk' by conducting its own FONOP within twelve nautical miles of Chinese-held features. Stephen Walt, the renowned realist scholar, has suggested that Asia's unwillingness to confront China, or to prepare for such an eventuality, shows that America's Asian allies are duplicitously attempting to free-ride on America's military power. Walt suggests that "the real question is not whether the United States is still committed in Asia, but how much our Asian allies are willing to help".¹⁸ Walt's views have not previously held much sway in Washington DC, but the rise of Donald Trump as a Republican presidential candidate raises the possibility that a future US President might have different expectations of allies like Japan, South Korea and Australia.¹⁹

The possibility of a perception gap between Washington DC and allied capitals in Asia is unsurprising, but it is concerning.²⁰ When America looks to Asia, it might see allies only half-heartedly supporting the rebalance, but when allied capitals look East, they see Washington focused on Syria, Ukraine, and other global hotspots. Instead of a well-executed rebalance to Asia, they see bungled FONOPs and aversion to any course of action that poses risk to the US-China relationship. They also see indications of a split between the views of the Pentagon and the Pacific Command, and those of the White House.²¹

This situation is risky: intimate alliances can be weakened by divergent interests, but also by cycles of mistrust and/or misunderstanding. Doubts about America's commitment to Asian security have previously created

¹⁸ Stephen Walt, 'What Has Asia Done for Uncle Sam Lately?', *Foreignpolicy.com*, 16 May 2014.

¹⁹ See John Lee, 'What Will President Trump Mean for US Allies?', *The Australian Financial Review*, 9 March 2016.

²⁰ See Michael Green et al., 'The ANZUS Alliance in an Ascending Asia', *Centre of Gravity Series*, no. 23 (Canberra: Strategic and Defence Studies Centre, 2016).

²¹ See David Ignatius, 'The U.S. Is Heading Toward a Dangerous Showdown with China', *The Washington Post*, 15 March 2016.

collective action problems in Asia. Today's situation is analogous to that in 1950, when no country in the Asia-Pacific was willing to commit to a proposed multilateral alliance without knowing that the United States would be a member. The American Ambassador to Australia reported that the Australian Foreign Minister, Percy Spender, believed "no single Pacific nation, or any combination of such nations, can be expected, unless it has reason to believe it will be backed by the US, to commit itself to a course which might prove futile and even disastrous".²² A similar situation exists today: without being confident in the direction, strength and sustainability of US policy, regional allies are reluctant to support the US rebalance in a stronger, more definite fashion. Australia's seeming reluctance to conduct a FONOP, similar to those performed by the US Navy, is a case in point.

The region desperately needs America to pay greater attention to its strategy for Asia, and Australia should encourage Washington to reconceive the pivot. The first step should be to accept the new status quo, with China controlling the Scarborough Shoal and newly reclaimed land features. The second step is to think carefully, deliberately, and realistically about what elements of the regional order America, and other countries, are willing to defend. This process will also require consideration of what the United States is *not* willing to defend. Finally, this strategy will need to be coordinated with US allies in the region, and credibly communicated to China. Allies will need to be reassured that the US presence in Asia will indeed persist, that security guarantees will remain reliable, and that agreed positions will be defended. China will need to believe the strategy to be real, the commitments credible, and accept that the overall goal is not containment.

On paper, this is a simple process. But the first step is daunting: it is to admit that as a result of Chinese aggression and our unwillingness to respond, the 'rules-based global order' so strongly touted by DWP2016 is evolving. Our strategic environment is already changing, but the 2016 Defence White Paper maintains Australia's position of denying this unpleasant reality.

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²² 'The Ambassador in Australia (Jarman) to the Secretary of State, Secret, Canberra, 24 March 1950', in US Department of State, *Foreign Relations of the United States, 1950*, vol. VI, *East Asia and the Pacific* (Washington, DC: US Government Printing Office, 1976), <digital.library.wisc.edu/1711.dl/FRUS.FRUS1950v06> [Accessed 8 April 2016], pp. 65-67.