

China in Australia's 2016 Defence White Paper

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In 2009, the release of the Defence White Paper *Defending Australia in the Asia Pacific Century: Force 2030* created a domestic and regional stir. On the assumption that China will “be the strongest Asian military power ... by a considerable margin”,¹ the section on ‘The Strategic Implications of the Rise of China’ argues that if China does not do more to explain the reasons for its military build-up and modernisation which “appears potentially to be beyond the scope of what would be required for a conflict over Taiwan”, there is “likely to be a question in the minds of regional states about the long-term strategic purpose of its force development plans”.² As if to suggest Australia was not prepared to wait for a Chinese answer to these questions, *Force 2030* had a strong maritime focus and promised a number of new capability enhancements for the Australian Defence Force. This included the building of twelve new conventional submarines in Australia.

Likely cowed by the controversy, and the stern reaction from Beijing who demanded a ‘please explain’, the 2013 Defence White Paper toned down the emphasis on Chinese power as a major factor. Key strategic assumptions in *Force 2030* were not actually overturned, and future capability requirements were left largely unchanged. But rather than explicitly focusing on China, the 2013 White Paper remain largely silent on what specific threats might look like. The document also deferred much of the capability acquisition program and placed more immediate emphasis on the nebulous virtue of regional and military diplomacy as a proxy for actual capability and strategy.

Fast forward to 2016 and China’s rise and behaviour is again nominated as a possible reason for instability in the Indo-Pacific. For example, in the Strategic Outlook section focusing on the United States and China, the 2016 Defence White Paper³ states that while China will not match the United States when it comes to global strategic weight and power, the growth of Chinese power and how Beijing uses that power “will have a major impact on

¹ Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030* (Canberra: Commonwealth of Australia, 2009), <www.defence.gov.au/cdg/documents/defence_white_paper_2009.pdf> [Accessed 29 March 2016], para. 4.26.

² *Ibid.*, para. 4.27.

³ Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2009), <www.defence.gov.au/WhitePaper/Docs/2016-Defence-White-Paper.pdf> [Accessed 29 March 2016].

the stability of the Indo-Pacific to 2035” (para 2.10). In addition to ever increasing Chinese military capabilities, the document also emphasises Chinese behaviour in the East and South China Seas. These are held responsible for rising US-China tensions even if the obligatory statement of war between them being unlikely is duly inserted. Pointedly, the same section also identifies “points of friction” caused by differences in Chinese interpretation of rules that govern the seas, and in the cyber and space domains (paras 2.14-2.16).

Despite robust language with respect to concerns about China, the current White Paper has been received with relative calm in Beijing, and even approval throughout much of the region. Which lead to a number of immediate questions. First, why has such blunt language about China not raised domestic and regional eyebrows in the same manner that it did in 2009? Second, the 2016 White Paper commits to a modernisation program which, *inter alia*, is designed to offer Australia military superiority over neighbours in Southeast Asia and the South Pacific. This includes a fleet of twelve of the most advanced conventional submarines in the world, fitted out with leading-edge American weapons systems. How does the military modernisation program fit into concerns about Chinese, if our primary area of responsibility and reach is Southeast Asia (and not Northeast Asia)? Is there a strategy in place vis-a-vis China, or are we simply beefing up military capabilities as a crude response to rising uncertainty?

Responding to China’s Rise: Diplomacy

The 2009 White Paper was not considered a very diplomatic document. From a diplomatic point of view, the document’s problem is that it explicitly cited concerns with China’s rise at a time when Beijing was still ostensibly pursuing a so-called ‘smile diplomacy’ aimed at reassuring neighbours of its self-proclaimed ‘peaceful rise’. With tensions in the East and South China Seas yet to reach current levels, the 2009 document openly challenged the carefully crafted narrative that China was selling to a still open-minded region at the time. This is why Beijing objected as strongly as it did.

It is true that Chinese military modernisation and build-up was continuing at a rapid pace during the previous decade. But there was widespread recognition that China had spent the first two decades of its reform period since 1978 focusing on building up its economy and improving civilian industrial and technological capabilities. The People’s Liberation Army (PLA) had taken somewhat of a back seat during the heady days of economic growth in the 1980s and 1990s. As conventional wisdom would have it, the Chinese military modernisation program was an expected and normal consequence of what any rising economic power with expanding interests might do.

One might have made a compelling case back then that even if such a build-up was a natural consequence of a rising economic power, such a truism is irrelevant as far as the strategist is concerned: the PLA's capabilities was still expanding at a rapid pace in an opaque manner. If we cannot decipher another country's intentions, we still ought to respond to capabilities. But the regional zeitgeist then was still optimistic that China could be persuaded to rise as a 'responsible stakeholder', an emerging power following the rules of the road and content to acquiescence to American leadership and pre-eminence in East Asia.⁴ Suggesting otherwise, as the 2009 White Paper seemed to do, would only encourage 'hardliners' in that system, and lessen the chances of it rising as a 'responsible stakeholder'.

Additionally, the conventional wisdom then was still that the PLA was primarily focused on acquiring capabilities designed to dissuade Taipei from pursuing *de jure* independence. One might have offered the response then that capabilities being developed by the PLA could easily be deployed in theatres beyond the Taiwan Straits. Nevertheless, the 2009 White Paper was ahead of the public conversation in terms of anxieties created by Chinese military modernisation, while the evidence then was still unclear as to how China would seek to wield its growing power.

In 2016, we are somewhat more enlightened (and subsequently more anxious) as to how China may choose to wield its considerable power if allowed to do so. Since 2010, its contestation of the Japanese administered Senkaku Islands in the East China Sea has become more intense, frequent and provocative. China's unilateral declaration of an Aid Defence Identification Zone which partially covers disputed areas in the East China Sea in 2015 has hardened regional opinion with respect to how China intends to exercise its greater clout.

Of greater concern to Australia are Chinese activities in the South China Sea. This includes the building of extensive artificial islands in disputed waters, the construction of features that can host significant military assets, and the recent apparent militarisation of these islands in the form of missile batteries on Woody Island. China has voiced various claims to vast areas of the South China Sea including a deliberately ambiguous nine-dash-line map which covers almost 90 per cent of that sea, and which can only be justified with reasoning that lies beyond any recognised principle of international law. All this has been accompanied by diplomatic and economic intimidation of many Southeast Asian states to remain silent vis-a-vis Chinese claims and activities, and perennially frustrating the conclusion of a binding Code of Conduct with Association of Southeast Asian Nation states. The diplomatic

⁴ For an earlier viewpoint on why this was not realistic, see John Lee, 'China Won't Be a "Responsible Stakeholder"', *Wall Street Journal*, 1 February 2010, <www.wsj.com/articles/SB10001424052748704722304575037931817880328> [Accessed 24 March 2016].

gains made during the Chinese period of 'smile diplomacy' have largely been lost.

Whereas articulating fears about China was once dismissed by many as unnecessary alarmism, the same sentiments are now more likely to be lauded as realism. If China were to seize de facto control of areas in the South China Sea, it would mean a fundamental redrawing of the regional strategic map. It would also undermine American and allied capacity to underwrite the current liberal order and all that goes with it. For example, a rules-based system characterised by free and open access to sea lines of communication, an obligation on great powers to uphold rules without reference to narrower national, strategic, economic or political interests, or a reliance on international law to resolve major disputes and abide by the processes and decisions of international law etc. For these reasons, the 2016 White Paper is more explicit in expressing these concerns but the sentiment is consistent with the zeitgeist throughout the region.

Responding to China's Rise: Strategy

There remains the question of strategic rationale. If one is worried about China when it comes to maintaining stability in the Indo-Pacific and defending a liberal order, what is the relevance of seeking to maintain military superiority in Southeast Asia?

Some critics might say the 2016 White Paper seeks to preserve Australia's military superiority over Southeast Asian neighbours only because we have long enjoyed such, and anxieties caused by China are being used as an excuse to keep one step ahead of immediate neighbours.

This comment takes a different view. It is highly unlikely that a rationale of simply keeping ahead of the Joneses would survive the many internal discussions and debates that go toward writing a White Paper. This author has no special insight into that process. But on closer inspection, one can discern elements of a very credible strategy being devised by the previous Tony Abbott Government and pursued by the current Malcolm Turnbull Government, and that the strategy in place is more (rather than less) likely to help manage China's rise in a way that underwrites both regional stability and the preservation of a rules-based order vis-a-vis its rise.

To make that argument, one must first understand China's broad strategy in the region. Beijing's approach is not to militarily overwhelm the United States as much as it would like to be able to do so. Achieving that is not conceivable for many decades if at all. To Beijing's credit, China's strategy is more subtle.

In the short to medium-term, it is to ensure the PLA can inflict prohibitive costs on US military assets in the event of conflict such that Washington will

be extremely reluctant to intervene against China in any local theatre. This is the essence of what the PLA's anti-access and area-denial capabilities are designed to achieve.

In the medium to long-term, the strategy is to ease the United States out of Asia without having to undertake a costly conflict. The easiest and most efficient way of achieving this is to degrade the strength and viability of its security alliances and partnerships which are relationships critical to the American capacity to use foreign territory in order to project force thousands of kilometres from the homeland. If the so-called hub-and-spokes security network can survive, evolve and be enhanced, then it becomes increasingly difficult and complicated for China to achieve its aims through coercion or actual conflict. Break down the alliance network and the American strategic and military position becomes far less formidable or even sustainable.

When one surveys the region, it becomes clear that there are few genuinely capable navies with regional reach in East Asia. In Northeast Asia, the US alliance with Japan remains the critical relationship. Whereas most policy makers and strategists predicted a declining strategic role for Japan just a few years ago, the implementation of more proactive policies by Prime Minister Shinzo Abe is now creating security headaches for Beijing. Of high significance is the government's successful legislation to allow Japan the right of 'collective self-defence' under certain circumstances, or coming to the aid of allies in the common tongue, even when Japan is not being directly attacked. This brings the hugely underestimated Japanese Self Defence Forces into play in a way that did not exist before.

In Southeast Asia, Australia is the most important bilateral security relationship for the United States and the region in this context. This is due to a number of factors. One is Australia's considerable naval capabilities and the Australian Defence Force's efforts to ensure inter-operability with US forces, which was reaffirmed in the 2016 White Paper. Another is the sharing of intelligence, surveillance and reconnaissance capabilities and facilities between the two countries. A third are the shared political, economic and strategic values and interests which entrenches bilateral cooperation between the two countries. In the context of its network of alliances in Asia, it is no secret that the United States views Japanese and Australian capabilities as a force multiplier for its own military in Asia.

The calculation is that strengthening the alliance network and joint capabilities will complicate the strategic picture for China in various theatres and dissuade Beijing from even more assertive and possibly reckless policies in the region, even if China will hold on to current gains in the South China Sea. In support of such policy logic, one might add that moving in the opposite direction toward a more independent policy (with decreased emphasis on the alliance) will offer Beijing better incentives to *accelerate* current artificial island building activities in the South China Sea, and hasten

militarisation of these features on the basis that doing so is cost free; and that China's strategy to weaken American alliances is working. After all, the hope expressed in the White Paper remains that China be integrated into the existing order that it has benefitted from immensely, and come to play a more active role in that order's defence. If preventing Chinese domination of the South China Sea is integral to Australian national interest, then dissuading Beijing from pushing the boundaries, rather than eliminating obstacles or consequences when it does so, is surely the better way to proceed.

Conclusion

If it is indeed the case that China views the period since 2010 as a window of strategic opportunity to alter the region in a manner favourable to it, then the 2016 Defence White Paper will be welcomed by the vast majority of the region watching to see whether the American-led alliance system can evolve and respond.⁵ It is no small thing for the two most powerful regional naval allies of the United States in Asia to move even closer to Washington. Especially when there is widespread belief that China's presumed economic clout—probably overstated⁶—will invariably change the strategic trajectory of economic partners in Beijing's favour.

Meanwhile, there is a final unwritten chapter to the White Paper which will be revealed later this year. If Australia chooses to partner with Japan to build its new fleet of submarines, then trilateral cooperation between America and its two most important Asian allies will be entrenched for decades. It is unlikely the Japanese option would have been explored as seriously as it currently is if China had remain faithful to its smile diplomacy from the previous decade.

It is appropriate that capability and cost will largely determine the winner of the three-way bidding process between consortia from Japan, Germany and France, even if strategic considerations will carry some weight. If Tokyo wins the bid under these conditions, then Chinese behaviour over the past five years in the East and South China Seas may well be viewed as a period of immense strategic error on the part of Beijing.

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⁵ The region will also be closely watching whether this and subsequent governments actually follow the blueprint in the White Paper and devote sufficient resources to it.

⁶ See John Lee, "China's Economic Leverage in Southeast Asia," *The Journal of East Asian Affairs*, vol. 29, no. 1 (2015).