

Australia's Strategic Dilemmas

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Australian Prime Minister John Howard has announced parliamentary elections will be held on 24 November. Despite prominent differences over a few international matters, including the government's support for the Iraq war and a recent decision to negotiate uranium sales with India, the coming Australian general election will rest largely on domestic issues.

Yet the next Australian government will face some tough dilemmas in international policy, especially in defence and security. Under the Howard Government, the Australian Defence Force (ADF) has become better resourced and prepared, and Australia has built up the world's twelfth largest military budget at AU\$22 billion (US\$18.7 billion) or roughly 2 per cent of GDP — rising by 47 per cent in real terms since 1996 and by 10.6 per cent over the past year alone. In addition, Australia's other services, including diplomatic, intelligence, police and other civilian agencies are capable and busy in the pursuit of national and internationally-shared security interests. But the mere possession of substantial capabilities will not enable the country to escape the many difficult decisions that lie ahead.

Now you have the tools ...

The most important security decisions to come are not likely to be about how to shape Australia's military, since most of that work is already underway. For example, many major acquisition decisions have been made, including the purchase of C-17 heavy lift transport aircraft; the 'hardening' of an increasingly networked army (including with Abrams tanks); the controversial purchase of a squadron of F/A-18F Super Hornets to bridge a looming air capability gap; and the recent selection of five major surface vessels, three 'air warfare destroyers' (with potential missile defence applications) and two very large transport ships.

Despite occasional reflexive spasms of a somewhat artificial debate over whether Australia's limited forces should be geared primarily for national defence or for the projection of power in pursuit of wider interests, there has quietly evolved a broad bipartisan consensus on the need to balance these two necessary goals. The Opposition has come to accept most of the Government's capability decisions, even though it considers they were reached through needlessly ad hoc processes.

Labor criticized the government's recently published update to its seven-year-old defence white paper as superficial, and argued that a new and comprehensive defence white paper was long overdue, calling at the same time for an increased focus on Australia's neighbouring 'Arc of Instability' — the South Pacific and East Timor. Meanwhile the Government claimed that its new update's emphasis on global security interests — for example in the Middle East — had effectively stymied a purportedly narrow 'defence of Australia' doctrine associated with Labor since the 1980s. Yet these differences were exaggerated. After all, the Government's update spelled out clearly a nearby zone of priority for Australian forces, a 'paramount area' including the South Pacific and the Indonesian archipelago — the very region 'defence of Australia' advocates have long stressed. And Labor recognizes the need for some distant deployments: it has promised to increase Australia's military role in Afghanistan, even as it gradually extracts Australian troops from Iraq. In any case, both sides of politics intend to commission a new white paper early in the next three-year term.

What are you going to do?

Many of the more intriguing security policy choices ahead for Canberra will be about how, where and why to use Australia's improved capabilities. By funding and extolling a more powerful military, and by maintaining a high tempo of operations in the near neighbourhood and in support of US-led efforts in Iraq and Afghanistan, the Government has reinforced expectations that the ADF will always be available for contingencies near and far. This could be courting disappointment. The ADF will remain relatively small, struggling even to reach its seemingly modest target of 57,000 personnel. So the risk is that some expectations of Australian help, on the part of its ally the United States and others, will sooner or later be left starkly unmet.

Australia is becoming accustomed to being a busy, if not overstretched, military power. The security problems defined by the Government in its published 2003, 2005 and 2007 'defence updates' have become a familiar checklist of worries, which both sides of politics broadly deem important: Islamist terrorism, nuclear proliferation, fragile states in Australia's region, new 'asymmetrical' ways of war that make Western states vulnerable, great power tensions, and more. Some of these issues rise or fall in prominence; they interact in differently dangerous ways;

individual leaders and strategies colour the scene. Yet overall the strategic picture has begun to appear static. Paradoxically, in an age of rapid change, there now seems a familiar suite of security challenges against which Canberra can rationally reshape its national capabilities for the decades ahead.

If comfort is drawn from this, it will prove false and short-lived. The next Australian government will find that the real mark of its strategic environment is deepening uncertainty. Much will remain familiar — like the central importance of states in the world system, the role of armed force, and the dominant power of the United States. Yet this will mask accelerating change, and the likelihood of shocks: pandemic or financial crisis, massive natural disaster or rapid climate change, energy crises, mega-terrorism, inter-state war, or the collapse of a fragile state.

Painful choices

Any of the several major issues in world security could reach a crisis point in the years ahead. Iran, Iraq, Afghanistan, the Korean Peninsula, and China-Taiwan relations are all delicate situations where Australian interests are engaged. If any took a serious turn for the worse, the ensuing policy dilemmas for Australia, especially over whether to participate in fresh US-led military action, could be acute.

Such prospects, though unlikely, cannot be dismissed as fanciful. For example, the next year in China-Taiwan relations will be delicate: Taiwan will hold elections in which sensitive questions of identity and independence will invariably arise, along with a controversial referendum about UN status. There is no guarantee the Beijing Olympics will restrain China's response. A conflict over Taiwan between Australia's indispensable ally, the US, and its economic new best friend, China, would be a worst-case scenario for Canberra's security planners. The pressure for Australia to join the US in military operations would be immense. Turning to the Persian Gulf, informed observers are becoming persuaded that the US or Israel are increasingly serious in deeming force an option against Iran's nuclear ambitions and its destabilizing activities in several regional states. In the aftermath of the Iraq Weapons of Mass Destruction debacle, with a public mistrustful of intelligence-based policy judgments, an Australian decision to assist such action even in a very minor way would be highly controversial.

Coping with Asia's power shifts

So the next Australian government will have many reasons to concentrate its diplomatic efforts on reducing the chances of any power's resorting to large-scale war. More broadly, Canberra will need to be mindful of the risks of instability as power balances change in its Asia-Pacific region, especially as China and India rise. Fresh thought will be needed on Australia's security diplomacy

with major powers – including in relation to dialogues, exercises and military capability questions. This will be mainly in the context of the country's role in the US alliance system in the Asia-Pacific, but also factoring in a deepening trilateral process with the US and Japan and recently-concluded security declaration to step up co-operation between Japan and Australia. A loose four-way arrangement of Australia, the US, India and Japan has also been mooted, which would deeply trouble China if it amounted to much, but its future looks fragile.

China's strategic rise, its perceptions and policies will be watched closely in Canberra, especially for evidence that Beijing is becoming Asia's truly pre-eminent power. Both John Howard and Kevin Rudd (who, incidentally, can speak Chinese) are proclaimed proponents of an enduring US strategic presence as an overriding force for stability in East Asia. Yet now that China is Australia's largest trade partner, Canberra may also find itself wondering what it means to be Washington's closest Asian partner yet neither its most important one (Japan) nor its most wooed (India).

At the same time, Canberra may want to look for ways of reconciling the cold realities of great power politics with neglected agendas of nuclear non-proliferation and the empowering of international institutions — especially if Labor wins, since nuclear disarmament and the UN are traditional fixations of its faithful. Labor would also be more likely than the current government to try initiatives — however forlorn — to improve Asia's motley 'architecture' of multilateral forums for discussing security problems and reducing the risks or impacts of conflicts between states.

Foreign fields

But some wars will remain Australia's problems in any case, and the reluctance of many other US allies — especially in Europe — to put troops in harm's way will increase the pressure from Washington for Australia to sustain its role in Iraq and expand it in Afghanistan, in the latter instance sharing daily risk on a larger scale and increasing the chances of combat deaths. Australia has been extraordinarily fortunate — or clever — in maintaining many military deployments with minimal combat losses. This luck is unlikely to hold. The next government in Canberra will very likely have to cope with public opinion in the face of multiple Australian casualties.

Many looming security-related decisions, though, will be less dramatic than immediate questions of war. The limits of Australia's security capabilities mean governments will have to prioritize national security interests and choices. The country's globalizing interests will continue vastly to outgrow its power, so many risks and problems will have to be tolerated, managed, or left in the hands of others. For example, the current Australian Government has prided itself on its promises

to help Australian nationals caught up in conflict or disaster, wherever they may be: thousands of Australians and dual nationals were evacuated from Lebanon last year, and large-scale evacuations from troubled states in Australia's region are an almost annual occurrence. With a million Australians abroad at any time, eventually this unrealistic guarantee of government help will have to be qualified or broken. Even with annual defence spending increases of 3 per cent in real terms — promised by both sides of politics — Australia will struggle to retain its relative military power in its region and in the world, as some other economies and defence budgets continue to grow faster, the nation's commitments abroad accumulate and its personnel shortages bite.

Weapons and neighbours

On defence capability, a question ahead is how to finish (or redirect) the transformation of the ADF, including whether to stick with the Joint Strike Fighter as the new mainstay of the Royal Australian Air Force (RAAF), on which a final decision is due in 2008. Another question is whether a future government will develop one of the newly-ordered large transport ships as Australia's first aircraft carrier since 1982. The recently-selected Spanish design (the Navantia 'strategic projection ship') provides this option. More broadly, the next government will want to review Australia's response to increasing military capabilities in south-east Asia, a region where Australia faces no known conventional threat and yet where it is expressly determined to maintain an edge, at great expense. Recent Russian arms deals with Indonesia have highlighted this issue, but the reality is that Australia's regional capability lead is huge, and its relations with a democratic Jakarta are the best they have ever been. Conversely, Australia's next few governments may find themselves having to work hard to reassure the region of Canberra's benign intent, as the ADF's potent new platforms and systems prominently enter service.

Finally, the new incumbents in Canberra will need to review the effectiveness of Australia's major security activities in its near neighbourhood. In south-east Asia, Australian involvement in co-operation against terrorism — in policing, intelligence, interfaith dialogue and capacity building in areas ranging from defence to education — has been an effective and low-profile response to the Bali bombings and other attacks by Jemaah Islamiyah. The challenge will be to consolidate the gains and not to become complacent about possible rekindling, relocation or metamorphosis of radical Islamist violence and ideology.

Meanwhile, Australia's intensive stabilization and nation-building operations in the fragile states of East Timor and the Solomon Islands will come under increased strain and scrutiny if further progress in security, governance and development is elusive. Judgments will need to be made about whether a 'staying strategy' would be more fitting than an exit one; how to ensure the

desired effects are achieved, including through the right balance of military, police, aid, diplomatic and other civilian engagement; and whether deployed Australian personnel are sufficient in number and properly prepared — for example in cultural and language skills — for the work required. The possibility is also likely to increase that Australia, as the only large regional player, will be called on for stabilization or disaster relief efforts in other South Pacific countries, further stretching Canberra’s capabilities with an accumulation of commitments.

Whatever form the next Australian government’s security decision-making apparatus may take — for instance, Labor has plans to create a US-style position of National Security Adviser — it will clearly have no want of work.

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