

Australia's need for a new defence strategy

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Australia is facing its most serious strategic situation since World War II. There is a crisis in Western democracy and serious threats to Australia are now identifiable, including from China, Russia, North Korea and Islamic extremism. In view of the changing situation, Australia's 2016 defence white paper needs revision.

Key words: Australia; defence strategy; strategic threats; China; Indonesia; Islamism; North Korea; Russia; United States; the West.

I dedicate this paper to Colonel David J. Manett, MC.

Western democracy is in crisis as a consequence of a slow recovery from the global financial crisis of a decade ago and events flowing therefrom, including the June 2016 Brexit vote in Britain and the election of Donald Trump as president of the United States in November 2016. Concurrently, we are faced with a resurgent China and Russia. Taken together, these events pose a threat to Australia, as a consequence of which our 2016 defence white paper (Defence 2016) warrants urgent revision. In this paper, I will detail these issues and indicate the direction Australia's defence strategy now needs to take.

Crisis in the West

The concept of a Western 'ideology', based on agreed values and culture (including religion), is fracturing. The Western strategic community also is adrift and in danger of fracturing, partly because the North Atlantic Treaty Organisation (NATO) has lost its focus and confidence, but also because of Donald Trump's erratic behavior since his election as president of the United States, and the emergence of China and the re-emergence of Russia as major strategic players.

It is a measure of the decline of democracy in the United States that Donald Trump, a businessman and reality television star with no political experience, was elected as the nation's president last November. It is important that we understand why Trump was elected. There was a backlash against the political establishment of both major parties largely driven by displaced workers, who have been left behind in the post-industrial knowledge age and have not benefitted from the new economy. This demographic has not recovered from the global financial crisis (GFC) and, as a result, has rejected globalization and the politico-economic views championed by the cosmopolitan urban elite. Similar considerations in Britain last year led to the vote to leave (exit) the European Community ('Brexit').

That said, I am an enormous supporter of the ANZUS alliance². It is worth supporting for the benefits that it brings

Australia e.g. access to state-of-the-art military equipment and weapons systems; and the Five Eyes intelligence network³, in which Australia is a significant contributor, not least through the joint intelligence facility at Pine Gap. It is likely, though, that the alliance will go through a rocky period during the Trump presidency, a trend likely to be exacerbated by major pressures resulting from an emergent China flexing its muscles. There is a real danger that we will be caught sleepwalking into conflict in a manner perhaps reminiscent of the lead up to the Great War (Clarke 2012).

The rejection of globalisation, in United States and United Kingdom in particular, also has exposed division between the upper and middle classes on the one hand and the working class, a division which we ignore at our peril. The slow recovery from the GFC has led to inward-looking, nationalist and protectionist policies gaining political ascendancy. Right-wing political leaders have emerged, many championing extreme nationalism and simplistic nation-based solutions, in places as far apart as Australia (Hansonism), France (Marine Le Pen), Poland, Hungary and the United States (Trump).

Anti-globalisation has been accompanied by anti-immigrant sentiment, leading in Europe to the re-emergence of national borders and the ending of free movement across borders. The principal economic manifestation of anti-globalisation has been the rise of trade protectionism and opposition to free-trade agreements. The re-emergence of nationalism has been accompanied by the re-arming of some nation-states, notably Russia.

Concurrently, it has become evident that China and Russia hate the West. From my perspective, the jury is out

²The alliance established by the 1951 Australia, New Zealand, United States Security Treaty (ANZUS Treaty). Today, it binds Australia and New Zealand and, separately, Australia and the United States, to consult and co-operate, consistent with their democratic processes, on military matters in the Pacific Ocean region – tacitly, the treaty is taken to relate to conflicts worldwide now.

³The Five Eyes intelligence alliance comprises Australia, Canada, New Zealand, the United Kingdom and the United States. These countries are parties to the UKUSA Agreement, a treaty for joint co-operation in signals intelligence.

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on China. But it is clear that Russia is increasingly aligning itself with China; and, while the strength of the People's Liberation Army is increasing, the United States remains the world's only superpower.

History is replete with examples of the rise of nationalism leading to conflict. Indeed, the world today resembles many of the features of early 20th-century Europe, with the established European imperial powers reluctant to make room for the emergent Germany. It was claimed in 1911 that the strong economic inter-dependence among the European powers would make war impossible, but this proved to be a myth (Clarke 2012). World Wars I and II followed and a World War III between the United States and Russia was only avoided by the certainty of mutual destruction⁴ – a 'cold war' eventuated instead.

Australia's Region

Let us now look at our own region, the Asia-Pacific, in more detail.

China

China is the key strategic player in the region and remains Australia's major trading partner. There are both optimistic and pessimistic views in Australia as to the future of the China-Australia relationship. Former Australian prime minister Paul Keating views China's recent rise as benign – a natural concomitant of growing economic power – and that China will become a responsible world power.

My own view is that China's rise is dangerous for regional peace and for Australia in particular. China's values differ from ours. China does not understand or practice democracy or human rights. China sees itself as a big country and Southeast Asian countries as small countries which should naturally fall within its sphere of influence. To achieve its ends, China increasingly is using coercion to gain influence and power.

China's activities in the South China Sea demonstrate that China will not become a benign co-operative member of the international community, conforming to the international rules-based order. Indeed, China has expressly rejected this rules-based concept as being inimical to its interests, not least because the concept was devised by the United States to suit its own interests.

That said, we have to live with China and will have to develop a mutually acceptable *modus vivendi* with China. This will not be easy as we will have to accommodate many conflicting principles. For example, Taiwan is a vibrant democracy, sharing many values in common with ours, and could be seen as warranting our support. Yet China views Taiwan as a renegade province and actively seeks its re-unification, bringing strong pressure to bear on any nation-state that does not support China's position. Similarly, China has militarised the South China Sea, a vital route for Australia's maritime trade. The United States wants us to conduct freedom-of-navigation patrols through disputed waters, an action which would antagonise China.

It also needs to be noted that, while the People's Liberation Army (PLA) is now much more sophisticated and

better equipped, China's military has no experience of modern conflict, unlike the United States military which has been constantly at war in recent decades. The PLA's last experience of war was the Sino-Vietnamese border war of February-March 1979, which resulted in a Chinese withdrawal after capturing and only briefly holding a few Vietnamese border towns. Its military equipment is untested and generally not state-of-the-art. Indeed, its submarines based at Hainan are very noisy – they cannot achieve state-of-the-art acoustic profiles and so cannot achieve stealth. During a war, its East Sea Fleet and South Sea Fleet would be effectively contained within the First Island Chain⁵, although individual fleet units do patrol and conduct showing-the-flag and intelligence-gathering missions throughout the Indo-Pacific and beyond. So, the game is not over for United States yet – it is still the world's greatest military power.

North Korea

North Korea is a dangerous, unpredictable dictatorship and now constitutes a direct threat to Australia. It has recently demonstrated its capacity to successfully launch an intercontinental ballistic missile (ICBM) with a range capable of reaching the west coast of north America. Thus, its ICBMs also are within range of northern Australia, as well as of South Korea and Japan. The world waits to see how the United States will respond. The ICBM issue could trigger a Trump-led confrontation. China, for its part, is urging caution on both sides, but is also putting its forces on its the Yalu River border with North Korea on heightened alert.

Indonesia

The rise of militant Islam in Indonesia could become a major concern for Australia. Notwithstanding Indonesia's foundational doctrine of Pancasila⁶ and its emphasis on religious freedom for five nominated religions including both protestant and catholic Christianity, fundamental Islamists want Indonesia to become an Islamic state governed by Sharia law. The recent successful overthrow and prosecution of the Jakarta governor, Ahok⁷, for blasphemy against Islam, is an example of their growing political power.

We need to keep a close watch on Indonesia. It is a nation of some 240 million people, 87 per cent of whom are Muslim, and by 2040 it could become the world's 7th largest economy. Indonesia may, or may not, remain a stable

⁵The First Island Chain refers to the first chain of major archipelagos out from the East Asian mainland coast. Principally composed of the Kuril Islands, Japan, Ryukyu Islands, Taiwan, the northern Philippines, and Borneo; from the Kamchatka Peninsula to the Malay Peninsula; and containing within it the Okhotsk, Japan, Yellow, East China and South China Seas. Chinese strategic theory nominates this as the area China must secure against American hostile incursions, by a pre-emptive strike if necessary.

⁶Pancasila is Indonesia's official, foundational philosophical theory. It is composed of five inseparable and inter-related principles: a divinity that is an ultimate unity; a just and civilized humanity; national unity; democracy; and social justice.

⁷Ahok is the nickname of Basuki Tjahaja Purnama, an Indonesian politician and former governor of Jakarta. A Christian of Chinese descent, in 2016 while governor he made a speech in which he referenced a verse from the Quran. Some Muslim communities saw this speech as blasphemous and agitated for his punishment. He was later convicted of blasphemy against Islam and was sentenced to two years' imprisonment.

⁴The strategic concept of mutually-assured destruction (MAD) deterring direct conflict between powers each possessing multiple, dispersed, nuclear weapons.

democracy. But, with a strong minority actively campaigning for an Islamist Indonesia, there is a real danger that it could become a militarised Islamic state by mid-century if not before. At a minimum, Indonesia should become a priority focus for our intelligence agencies.

Australia's Outdated Defence Policy

Given the foregoing, it is essential that Australia now focuses its defence force and national security agencies on dealing with the emergence of China and implications flowing therefrom for our immediate region. Australia's 2009 defence white paper (Defence 2009) predicted likely problems with a major Asian power, without specifically naming China, but Australia's 2016 (current) defence white paper (Defence 2016) does not adequately recognize these pressures. Indeed, it is predicated strategically on the maintenance of the international rules-based order. China has rejected this concept, so the strategy needs to be rethought.

There is now a danger that China and the United States will stumble into conflict triggered by one or more issues in northeast Asia, such as Taiwan, Japan or Korea, and that the United States will ask Australia for significant help, perhaps invoking the ANZUS Treaty. If, for example, United States troops were to become involved in a high-intensity conflict in northeast Asia, the United States would expect Australia to contribute. It might not necessarily involve Australian forces on the ground, but would almost certainly involve our air and sea power, perhaps in looking after the South China Sea. If we agreed to support America in this way, we could expect China to retaliate against us.

There also are some related strategic security issues. At home, we have allowed our northern military bases to run down, especially the so-called bare bases⁸. Further, globalisation and economies of scale in the oil industry have led to us closing many of our oil refineries and becoming dependent on a continuous supply of petroleum and other refined products from Singapore – including for the Australian Defence Force.

New Defence Policy Responses Needed

From the foregoing analysis, it is evident that the global outlook is uncertain; indeed, it is extremely fraught with danger in my view. It is also clear that, for the first time since World War II, Australia now faces clear strategic danger in our region, particularly from China, Russia and North Korea, but also from growing Islamic extremism. Further, there is uncertainty about the United States, especially its foreign policy and its commitment to its allies in view largely of President Trump's erratic statements on such matters.

When these three trends are coupled with the challenges confronting Western democracy – the slow recovery from the global financial crisis; the emergence of extreme nationalism, isolationism, and economic protectionism; and

⁸Three Royal Australian Air Force (RAAF) constructed, but unmanned, airfields across northern Australia, viz. RAAF Learmonth (near Exmouth in the Pilbara); RAAF Curtin (near Derby in the West Kimberley); and RAAF Scherger (near Weipa on Cape York). These bases were developed to enhance the RAAF's ability to conduct combat operations from the Australian mainland. They are provisioned with bunkers and other defensive facilities and have the capability to support the RAAF's combat aircraft during wartime. During peacetime, they are maintained by a small caretaker staff.

the loss of confidence and self-belief in the West – there is an urgent need for Australia to develop new policy responses.

In my view, those policy responses should include at least the following five elements:

1. revising the 2016 defence white paper to focus on our region of direct strategic concern;
2. working to ensure that Southeast Asia does not become a sphere of geopolitical influence of China (a group of tributary states) and, given the ineffectiveness of ASEAN, avoids the danger of simply drifting into China's orbit;
3. paying more attention to our northern approaches and maritime Southeast Asia, including bringing our northern defence bases back into operational defence readiness;
4. refocusing the Australian Defence Force on our region, including adapting it to achieve a more rapid response to crises in our neighbourhood; and
5. reviewing our Alliance policy, including developing greater military self-reliance, not just in defence industry, and developing military expansion plans, including mobilisation contingencies.

Conclusion

Australia is facing its most serious strategic situation since World War II. Significant threats to Australia are identifiable now, especially from China, Russia, North Korea and militant Islamism. China has rejected the concept of an international rules-based order on which Australia's 2016 defence white paper was predicated. The implications of this for our defence policy now need to be thought through and new defence policies need to be developed focused on our region of direct strategic concern.

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