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A Shift in Focus?

Australia and stability in East Asia

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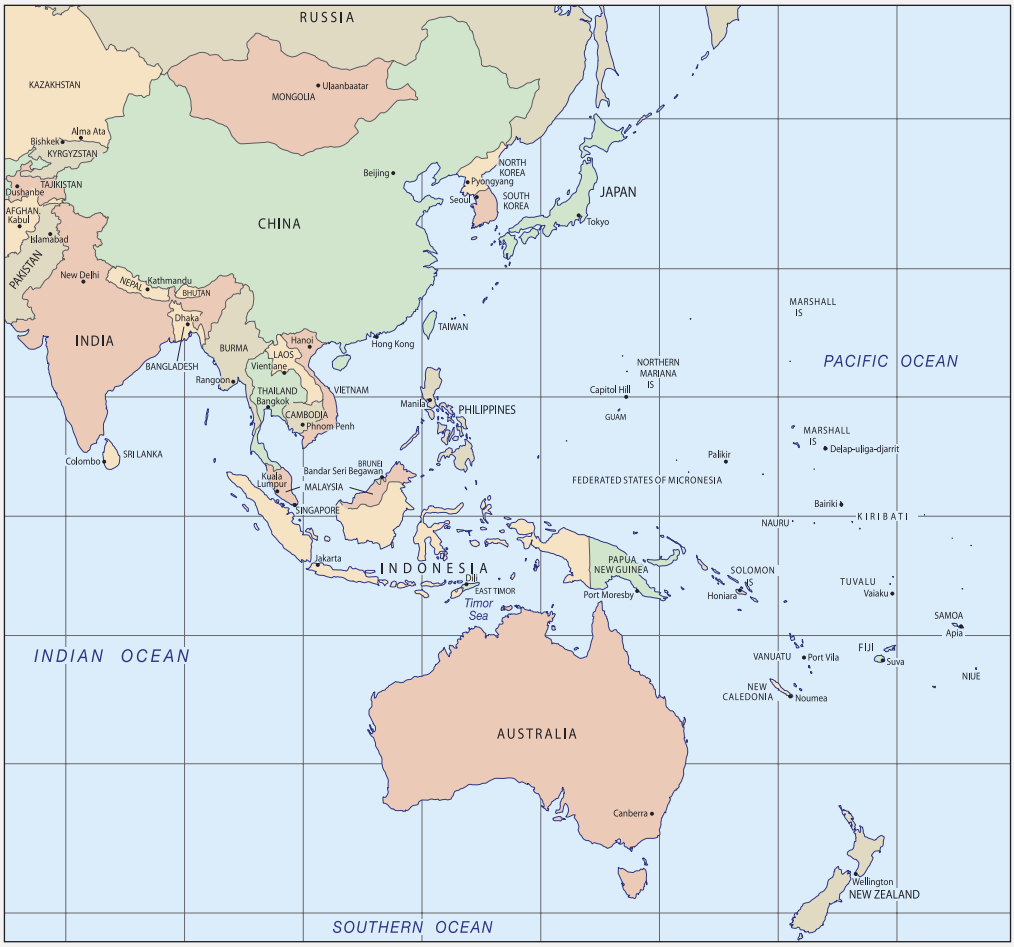
by Robert Ayson

A shift in focus?

It is almost redundant to argue that Australia has an abiding interest in the stability of East Asia. Governments down the years, both Coalition and Labor, have identified a secure region as a crucial precondition for Australia's wellbeing. But as this paper will demonstrate, the stability questions preoccupying security planners in Canberra as they look at the regional security environment can shift significantly. Ever since the Asian financial



crisis, for example, there has been a tendency to focus on the instability stemming from the weakness of states in Australia's immediate neighbourhood. However, instability concerns arising from the strength of major power rivals in East Asia may be set to make a comeback. This balance between instability through weakness and strength is much more than an issue of academic interest. How it is understood by Australian officials has significant implications for this country's regional security policy and for potentially expensive choices, including the future shape of the Australian Defence Force. This paper thus tracks some of the main recent changes in Australian perspectives on East Asian stability and offers a series of broad recommendations for future strategic policy.

Australia and East Asian security since the mid-twentieth century

Australia's concerns about the East Asian strategic balance date back at least a century to the rise of Japanese power signified by the defeat of Russia's navy in 1905. This same Asian great power, today a close security partner, was responsible for the most acute concerns about Australia's vulnerability during the Second World War. This experience accentuated the requirement for a secure archipelagic screen and Australia's reliance on friendly major powers to maintain a stable regional balance. By mid-century, as the Cold War spread to East Asia, Australia was becoming deeply concerned about the challenges facing Southeast Asian countries in an increasingly post-colonial era as European power waned.

Concerns about the region's future intensified Australia's security connection with the United States as the ascendant Western global power, reflected above all in the 1951 ANZUS Treaty between Australia, New Zealand and the United States. Australia was also active in British alliance efforts in East Asia and, along with New Zealand, contributed extensively to both American and British-led efforts: forces were dispatched to the Korean War, the Malayan Emergency, to help defend Malaysia against Indonesian President Sukarno's *Konfrontasi*, and to the Vietnam War. However, Britain's East of Suez withdrawal and the Nixon Administration's Guam Doctrine brought the curtain down on Australia's forward defence strategy.

Australia remained attached to Southeast Asian security in a formal sense through the 1971 Five Power Defence Arrangements for the external security of Malaysia and Singapore. At the same time the growing confidence of the Association of Southeast Asian Nations (ASEAN) countries helped highlight common security interests, even if that meant a preference for order over justice. Along with its two ANZUS partners, Canberra turned a blind eye to Indonesia's 1975 invasion of East Timor, buoyed by Indonesia's reputation under President Suharto as an anti-communist bulwark. The normalisation of relations with China also indicated the potential for common interests with leading East Asian powers, as did the increasing importance of Japan's own security treaty with the United States.

By the mid-1970s Australia had replaced forward defence with the logic of greater defence self-reliance under the banner of the Defence of Australia concept. This approach was most famously represented in Paul Dibb's 1986 report, which shaped the Defence White Paper of the following year. While this approach has at times been parodied as a fortress Australia outlook, it actually places significant emphasis on the geopolitical importance of East Asia to Australia's security; first in the presence of Papua New Guinea and the nearest portions of maritime Southeast Asia on the other side of the 'sea and air gap', and second in the importance of the trends in the Northeast Asian great power

balance.[1] Under the worst of circumstances, of course, the two might combine—an inimical great power might threaten Australia's security rather directly as it increased its presence in Australia's immediate northern neighbourhood. This would also represent an intermixture of the dangers of instability through weakness and strength.

The strength of East Asia: was Australia falling behind?

From the mid-1980s to the mid-1990s the increasing strength of East Asia became a dominant theme. Widespread economic expansion suggested common interest in the avoidance of a commercially damaging conflict (hence tempering some concerns about instability through strength). The improved conditions enjoyed by the expanding club of ASEAN also indicated that insurgency was becoming a thing of the past (hence tempering concerns about instability through weakness). The region was also developing multilateral mechanisms for cooperation on economic and security issues in Asia Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF) respectively. Australia was also enjoying an increasing range of significant bilateral security relationships in the region, crowned by the 1995 security agreement with Indonesia.

East Asia's prosperity could also lead to conclusions that Australia was falling behind, not least because of the rising defence budgets (and arms purchases) which such growth could accommodate. The first Howard Government was elected in 1996 with a corresponding tendency to rely heavily on the US alliance. That same year, the Clinton Administration, which only two years before had come close to launching strikes against North Korea's nuclear facilities, had to stare down China over the Taiwan Straits Crisis. Beijing's hackles were raised further by the subsequent strengthening of the Australia–US and US–Japan security relationships.

The *Australia's Strategic Policy* (ASP) paper of 1997 was almost completely dominated by concerns about the military balance in East Asia. Australia's stated interests in the Asia Pacific included the avoidance of 'strategic competition between the region's major powers'. This put the focus squarely on the US–China relationship. While the paper also highlighted the importance to Australia of Southeast Asian security, the focus remained on checking unwanted external influences as reflected in the desire to 'prevent the positioning in neighbouring countries' of hostile forces.[2]

By the turn of the twenty-first century, Australian perceptions of regional security were increasingly preoccupied with the so-called 'arc of instability', which also included major Melanesian countries such as Papua New Guinea and Solomon Islands.

The 'arc of instability'

This concern about the strategic balance was quickly overshadowed as the Asian financial crisis took hold later that same year. Australia now seemed to be faced by the prospect of an increasing number of internal stability concerns in the nearer portions of the region. This was especially the case for Indonesia as the Suharto regime crashed under the extra weight of an economic, social and political crisis. The subsequent East Timor crisis placed severe strains on Canberra's relations with its closest and most important East Asian neighbour. Regional institutions such as the ARF and ASEAN itself were also struggling.

By the turn of the twenty-first century, Australian perceptions of regional security were increasingly preoccupied with the so-called 'arc of instability', which also included major Melanesian countries such as Papua New Guinea and Solomon Islands. They posed a rather different picture than the risk of interstate instabilities which could be seen in regional flashpoints from the Taiwan Straits and Korean peninsula to Kashmir. As Paul Dibb explained, 'unlike in Northeast and South Asia ... What is of much greater concern is political and social stability within the ASEAN countries themselves and the risk that serious upheaval or fragmentation, especially in Indonesia, will infect other parts of Southeast Asia'[3].

We thus see in the 2000 Defence White Paper greater emphasis on internal stability and cohesion in Australia's immediate neighbourhood. The paper retains a strong commitment to the importance of preventing the intrusion of hostile external powers to protect Southeast Asian stability and avoiding the dominance of the wider Asia–Pacific region by inimical powers.[4] But the overall tone of the document reflects an increasing concern about the instability through weakness evident in the arc of countries to Australia's immediate north.

The war on terror period

The next major shock, the 9/11 attacks on the United States, took some of the attention away from East Asia. Invoking ANZUS Australia sent forces outside the region to participate in the initial combat portions of the war on terror. The Howard Government's alliance credentials were on even starker display in 2003, when it joined the very select coalition of the willing against Iraq. This decision prompted fears of a backlash against Canberra amongst some of its Asian neighbours, which never quite eventuated (as is the case surrounding moves to cooperate with the United States on missile defence).

In between these out-of-area commitments, the October 2002 Bali bombing brought the war on terror closer to home and raised the potential for further strains in Canberra's already brittle relationship with Jakarta. This was exemplified in the less than favourable regional reaction to Mr Howard's comments

Negotiators from the US, Japan, China, North Korea, South Korea and Russia begin talks on the North Korean nuclear crisis in Beijing's Diaoyutai State Guesthouse, Wednesday, 25 February 2004. EPA via AAP/Greg Baker © 2004 EPA

about pre-empting a terrorist attack from a neighbouring country. Such comments suggested significant overlap in the Howard and Bush policies, and this overlap is clear in the 2003 *Defence Update* which speaks of two major international security trends: 'terrorism and the spread of Weapons of Mass Destruction, including to terrorists'[5]. The often global context of these developments had the potential to take Australia's focus away from East Asian security.

Indeed the *Update* concludes that notwithstanding concern over North Korea's nuclear weapons program, the potential for East Asian conflict had abated to some degree, with a stabilisation in US–China relations coupled with 'increased US strategic dominance'.[6] This implied that the geographical logic underpinning the Defence of Australia had less currency in an age of global terrorism and weapons proliferation. But these global trends also helped bring into focus the closer parts of East Asia, as a number of Australia's neighbours had become 'more exposed to world events, including security threats'[7] since the 2000 White Paper. The *Update* draws particular attention to the vulnerability of some Southeast Asian countries to transnational terrorism, and also notes that 'diverse internal and transnational problems are likely to produce non-terrorist related security challenges.'[8]

The importance of the immediate neighbourhood

As the *Update* suggests, such trends increase the likelihood of calls for Australia to operate in its 'immediate neighbourhood.'[9] However, Australia's declaratory policy was somewhat curious over one of the most pressing local examples of a weak, even failing state—Solomon Islands. The *Update* made it clear that in early 2003 Canberra did not feel it could (or should) be expected to resolve the ongoing Solomons crisis. However, later in the same year, that policy seemed to have undergone a major shift as Australia led a regional 'cooperative intervention' in the Solomons (although from the point of view of operational policy the deployment could be seen as part of a pattern stretching back to Australia's contributions to Bougainville and then East Timor).

Australia's $1billion contribution to Indonesia (over five years) confirms Canberra's renewed emphasis on this vital bilateral relationship…

To some extent the Regional Assistance Mission to Solomon Islands (RAMSI) represented an Australian version of the philosophy which justified anticipatory action out of fears that failing states could be breeding grounds for terrorism and similar threats which had been highlighted in a prominent ASPI report.[10] Other rationales included the simple need for assistance for a country whose crumbling institutions were unable to protect portions of the local population from the coercion of armed gangs and to deliver basic government services. Australia's commitment to the stabilisation of Solomon Islands, and its subsequent dispatch of 200 police officers and the secondment of numerous Australian public servants to Papua New Guinea as part of the Enhanced Cooperation Program (ECP), indicate Canberra's focus on addressing issues of vulnerability and instability in its nearer neighbourhood. However, the recent deployment of 450 additional military personnel to Iraq demonstrates the continuing potential for out-of-area commitments just as the PNG court decision resulting in the sudden return of Australian Federal Police (AFP) personnel to Australia indicates that Canberra's capacity to operate in its immediate region depends on sound bilateral relations with its near neighbours.

Of course, Solomon Islands and Papua New Guinea do not exist on many people's standard maps of East Asia. But for Australia they are as much a part of the nearer neighbourhood as Indonesia and East Timor. When crises occur in Pacific countries, it is almost automatic that phones in Canberra will be among the first to ring. Increasingly it seems the same can be said for crises in Indonesia. This was certainly the case in Jakarta's response to the December 2004 tsunami. Australia's $1billion contribution to Indonesia (over five years) confirms Canberra's renewed emphasis on this vital bilateral relationship which has accompanied the re-election of Howard's team in the late 2004 federal elections.

Indeed much to the chagrin of some critics of John Howard's Asian diplomacy, in recent times his government has enjoyed some increasingly close relations with Indonesia, accelerated since the election of President Yudhoyono, but already evident in the extent of cooperation between the Indonesian and Australian authorities in the aftermath of the Bali bombing. A new security treaty between Indonesia and Australia is also in the pipeline. This would involve something of a tradeoff, with Canberra codifying its support for Indonesia's territorial integrity and Jakarta confirming Australia's role in helping meet security challenges such as terrorism which Indonesia struggles to deal with on its own. Both issues reflect the continuing importance of instability through weakness issues. However, the reactions to Schapelle Corby's conviction on drug smuggling charges in Bali and the subsequent discovery that an envelope containing bacteria had been sent to the Indonesian Embassy in Canberra illustrate the potential for domestic passions to disturb the relationship.

A Naval Reserve paediatric nurse checks the breathing of a local boy from Banda Aceh in the paediatric ward of the local hospital, as part of the Australian Government program of humanitarian relief following the Boxing Day tsunami, 2004. © Defence Department

The strengthened links with Indonesia might also be seen as increasing Australia's connection to an emerging East Asian regional community, which at times Australia has appeared to stand a chance of missing out on. One of the breakthroughs in this respect was the end of the Mahathir era—this led to improvements in Australia's relations with Malaysia and helped clear the way for Australian and New Zealand to attend the late 2004 ASEAN Summit. While the Howard Government did not volunteer immediately to sign ASEAN's Treaty of Amity and Cooperation (TAC), progress was still possible on a free trade linkage between ASEAN and the Closer Economic Relations relationship between Australia and New Zealand. This is important not least because of ASEAN's corresponding free trade initiative with China, which is emerging as the unofficial leader in the ASEAN+3 process (the three being China, Japan and South Korea) and the forthcoming inaugural East Asian Summit. For Canberra to secure attendance at that meeting will require its (somewhat reluctant) signature on the TAC.

China's active role in the evolving East Asian architecture is just one reason why Northeast Asian security issues are not really at risk of falling off Canberra's radar.

The continuing traction of great power issues

China's active role in the evolving East Asian architecture is just one reason why Northeast Asian security issues are not really at risk of falling off Canberra's radar. While known as one of the most loyal allies of the United States, the Howard Government has given extremely close consideration to its relations with East Asia's re-emerging great power. This consideration stems in part from the fact that Australia's own economic expansion depends to some extent on its role in helping to meet China's gargantuan demand for natural resources. The April 2005 announcement that China and Australia have agreed to begin negotiations on their own bilateral Free Trade Agreement (FTA) is an important milestone in the relationship.

In the short to medium term, the main concern for Australia in its security relations with China is that a contest in the Taiwan Straits would force it to choose between Beijing and Washington. In its early days the Bush Administration made it clear that military assistance from Canberra would be expected should the US come under attack in such a conflict. Towards the end of its first term, the Bush Administration was taking a more cautious (and China-friendly) approach, creating less potential friction with Australia's Minister for Foreign Affairs Alexander Downer's comments, that Australia does not feel bound by ANZUS to come to America's assistance militarily in the event of the dreaded crisis. However, the US position on China appears to be hardening once again. This is not especially good news for Australia.

It is also possible that the differences in American and Chinese approaches in dealing with North Korea's nuclear weapons program will come to overshadow the congruence of interests between Australia, China and the US (as reflected in Beijing's prominent role in the six-party talks). Canberra has a potential role from the sidelines on this issue, although Mr Downer's suggestion

Laos Prime Minister Bounnhang Vorachith, right, signs the joint declaration for a free trade agreement as Australian Prime Minister John Howard, left, looks on at the 10th Association of Southeast Asian Nation (ASEAN) summit in Vientiane, Laos, Tuesday 30 November 2004. EPA via AAP/How Hwee Young

that Australian territory might itself become threatened by North Korea's missiles seems to exaggerate these capabilities and Australia's importance as a potential target. However, Japan is in range of North Korea, and the 1998 test which landed in the Sea of Japan was an important external stimulus for the reorientation of Tokyo's security policy. Other stimuli for this reorientation have included the growth of Chinese power, America's long-standing encouragement for Japanese security contributions, and changes in Japan's domestic politics. Factoring in Japan may indeed become the leading security challenge facing East Asia, not least because the increasingly tense Sino-Japanese relationship has the potential to be the region's next flashpoint. Canberra itself may have a role to play in reassuring East Asia as it manages the security implications of a changing Japan.[11] Like Japan, Australia has a vested interest in ensuring that its close American ally remains engaged as a regional balancer, although the inclusion of the Taiwan issue in the statement following recent US–Japan security talks is not a precedent Australia will want to see followed.

...Australia cannot afford to take its eye off the East Asian great power game which, while played mainly on fields further north, also has implications for the security trajectory of the closer neighbourhood.

Concerns about instability through strength in the form of great power rivalry could thus return as the dominant theme in Australian perspectives on East Asian security (and open eyes to new possibilities including India's potential balancing role). The period between the Asian Financial Crisis and the Solomons intervention certainly intensified Australia's concerns about instability through weakness in the nearer neighbourhood. Another serious crisis in the 'arc', which would not be at all surprising, would be likely to generate arguments that this is where Australia's focus should, and indeed must, lie. But Australia cannot afford to take its eye off the East Asian great power game which, while played mainly on fields further north, also has implications for the security trajectory of the closer neighbourhood. The trick will be to find an approach, which allows Australian security planners to compare the significance of both types of East Asian stability concerns and to ensure that the crisis of the day is not misinterpreted as the model for the future.

Recommendations

- Australian policy makers should avoid conclusions which suggest that Australia's security interests in East Asia involve a choice between focusing on either weak state issues in the nearer neighbourhood or great power rivalry in Northeast Asia, but instead maintain both as consistent priorities.
- Australian security planning should use likely requirements for regional operations as the basis for force structure development, with the resulting capabilities also available for extra-regional deployments as and when allowed by regional circumstances.
- Australian policy should continue to give priority to securing a role in ASEAN+3 and related elements of the emerging East Asian regional structure, not least because these represent a connection between Australia's interests in both Northeast and Southeast Asian security.
- Australia should continue to pursue a dual strategy of maintaining close security relations with the United States and building increasing links with China.

- This dual strategy should inform Australian efforts in its ongoing security relationship with Japan and its contribution towards attempts to resolve the North Korean nuclear weapons issue.

Endnotes

1 See *Review of Australia's Defence Capabilities, Report to the Minister for Defence* (by Paul Dibb), Canberra, 1986, pp. 50–1, 174–5.

2 See Australian Department of Defence, *Australia's Strategic Policy*, Canberra, Commonwealth of Australia, 1997, p. 8.

3 Paul Dibb, *The Prospects for Southeast Asia's Security*, Strategic and Defence Studies Centre Working Paper 347, Canberra, SDSC, Australian National University, June 2000, p. 2.

4 See Commonwealth of Australia, *Defence 2000: Our Future Defence Force*, Canberra, Defence Publishing Service, 2000, pp. 30–32.

5 *Australia's National Security: A Defence Update 2003*, Canberra, Commonwealth of Australia, 2003, p. 7.

6 *Defence Update 2003*, p. 8.

7 *Defence Update 2003*, p. 18.

8 *Defence Update 2003*, p. 18.

9 *Defence Update 2003*, p. 23.

10 See Elsina Wainwright, *Our Failing Neighbour: Australia and the Future of Solomon Islands*, Canberra, Australian Strategic Policy Institute, 2003, pp. 13–14.

11 See Alan Dupont, *Unsheathing the Samurai Sword: Japan's Changing Security Policy*, Lowy Institute Paper 3, Double Bay NSW, Longueville Media, 2004.

About the Author

Dr Ayson directs the Australian National University's Graduate Studies in Strategy and Defence program and is a Fellow in the Strategic and Defence Studies Centre. He has taught in New Zealand universities and served as Adviser to the NZ Parliamentary Select Committee on Foreign Affairs, Defence and Trade. The author of Thomas Schelling and the Nuclear Age (Frank Cass, 2004), his research interests include strategic concepts, Asia–Pacific stability, and Australia–New Zealand defence issues.

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