

ASSURED ACCESS FOR THE ADF IN THE ASIA PACIFIC

I have been asked to talk about **Assured Access for the ADF in the Asia Pacific**. This is a large topic. What I want to do is step back and talk about the nature of our strategic environment, and to suggest ways of thinking about how it is changing. This is a preliminary to asking what is the nature of the strategic and defence challenge that it now presents to us.

I want to put forward some propositions about what is happening in our strategic environment and how we might from an Australian perspective think about the implications of the changes that we are seeing.

I would also like to put on record my appreciation for the help that Robin Laird and Paul Dibb, in our many conversations, have given me in thinking about some of these issues. Of course, any atrocities I commit belong to me.

How we think about strategic challenges and how we describe the world, that is, how we construct the problem set, can help us think about what policy and strategic approaches might be best suited to dealing with it.

We are at one of those points in world history when the strategic order is changing. This has been the central topic of discussion in policy and academic circles for the last decade. It was foreshadowed in the 2009 Defence White Paper and elaborated in different ways in the 2013 and 2016 Defence White Papers. It haunts the 2017 Foreign Policy White Paper.

This sense of change has become more acute over the past two or three years to the point where it seems to be generally agreed in commentary circles that the 2016 Defence White Paper is no longer adequate as a frame for understanding our strategic environment, or as a vehicle to guide future policy development. So, the question is: what now?

I have often commented that in our strategic assessments and policy development, we have consistently underestimated the rate of change in our strategic environment. Perhaps this is the equivalent in policy circles of the often discussed ‘Conspiracy of Optimism’ in project management.

However, that said, I personally have been astonished at how quickly the consensus has emerged across policy and academic communities that the world has changed irrevocably and that we are not certain about what sort of future we are going into.

When people talk about change in the contemporary environment, the first step is usually to point to major structural forces – demographic shifts, economic development, restructuring of national economies, urbanisation, to name some of these forces.

More recently there is the rise of China, and particularly the China that has emerged as a result of the assertive policies of the current leadership under President Xi Jing Ping. We have also seen very significant shifts in US strategic and economic policy with the advent of President Trump. Neither the United States nor China could be now described as status quo powers. In different ways they are seeking to reposition their role in the strategic order, and this is playing out in many different ways across the world.

There are other large forces in play, and in the Indo-Pacific. These include astonishing economic growth, major demographic shifts, the impact of climate change, and a broader movement towards a restructuring of the strategic order.

If we look across the world, one major trend has been a strengthening of nationalist movements within countries, the rise of populism on both the right and the left, a loss of

confidence in the traditional institutions of governance at both the national and international level, the rise of authoritarian powers within a liberal rules based order and who are now seeking to challenge and mould this order to their ends. We are in a period of political experimentation and upheaval and it is hard to see what is on the other side.

One proposition we might consider is that we are seeing the breakdown of one model of globalisation, a model we have called the rules-based order. This model, under challenge, is no longer delivering what it promised. What I would have described a few years ago as its pathologies (transnational crime and political violence) have become more prominent.

Much energy in contemporary policy work is aimed at preserving this model. Both the 2016 Defence White Paper and the 2017 Foreign Policy White Paper highlighted the centrality of the rules-based order as one of the foundations of Australian prosperity. In my view it was also the foundation of our strategy in relation to the challenge of China. Reading those documents now, one gets an uncanny sense that they repeatedly invoke the rule-based order because they know that it is diminishing.

I think a question that hangs over all of us is whether this rules-based order can be preserved, and if not completely, what elements of it will remain as we go into the future. Perhaps there is a further question – if we think it is under serious challenge, does that mean that we are already in a different world? In other words, we talk about the future, but perhaps the future has already arrived and we can't see it clearly, or we don't want to see it. I think this question will preoccupy policymakers for some time to come, but I also believe that some of the changes we are seeing are the result of large and irreversible forces. The world will not return to what it was.

So, the world is changing, and the future will be different to the one that we hoped for a few years ago. How different we don't know. That said, the question for policy, when all be noise is removed, is: how are we going to adapt? What does this mean for Defence?

If I wanted to make another proposition about the strategic system that we call the Indo Pacific, I would argue that the strategic architecture that might establish a framework for understanding and solving the challenge of building and managing a new strategic order is not sufficient for the task.

We are seeing what I would describe as experiments. In some ways it is a period that resembles the post-Second World War environment in that there are many ideas in play, and people are proposing and experimenting with different architectural initiatives and formations or trying to renovate old ones. But we are not yet at a point where it has settled or whether we will know what will work. I put something like the QUAD that brings together the United States, India, Japan and Australia in this category

This has profound implications for Australia and how we might think about defence.

The debate in Australia about defence has over decades revolved around two poles, both caricatures of complex and nuanced ideas that achieved even greater complexity when you consider their practical application in the context of the times.

However, caricatures are useful because they help us delineate trends in thinking – the fashions of the time, if you will. These poles are, of course, Forward Defence and Defence of Australia. Debates in Australia about defence have tended to fall within this broad conceptual framework. There are different ways of understanding the parameters of the conversation, but it boils down to the relative priority you would give to the defence of Australia as a geographical entity as opposed to defence engagement more broadly in the world to support

the emergence and maintenance of an international system conducive to our national interests.

Where you want to put emphasis in relation to policy will drive decisions about the development of capability and the use of the ADF.

In the world of practical policy development and implementation, and operational imperatives, these debates can seem a bit theoretical. But if you look at the trend of Australian policy over decades, you can see that there is a tension and it does have consequences for the development and use of the force. One of the more significant criticisms of the 2016 White Paper is that in identifying strategic goals for defence, it did not distinguish between the relative importance of these goals and therefore provide a framework for thinking about priorities in developing capability.

If you take a very broad historical perspective, the debate starts to look a bit like arguments about how many angels might fit on the head of a pin. The overriding strategic reality for Australia since its inception has been that our defence policy has been developed within the framework of our protection by a friendly hegemon - up until the end of the Second World War, the British Empire; and after the Second World War, the United States through the alliance relationship.

What this has meant for Australian strategic culture is that we have never had to think about policy outside the framework of hegemonic protection. It also means that some of the heavy lifting in diplomacy and defence policy has been done by the major partner and that we have under-invested in both diplomatic and defence capability. I question whether the combination of these factors has also resulted a strategic culture that is in many ways derivative, or immature - the culture of a young and relatively inexperienced country accustomed to the protection of a larger power. One manifestation of this is the under-investment in our diplomatic capability and our over reliance on the US alliance as the foundation of our security.

We are now moving into a strategic order where that protection may not necessarily be there on the terms that we have been accustomed to. This is a profound change. It means we have to think very differently about our strategic culture and the defence challenge.

I want to describe some features of this change.

Often when we talk about the justification for having a defence force, we speak in terms of being able to exercise sovereignty, to be able to support our national interest through the use of the armed forces. My own view about defence is that it is a toolkit that enables the government to do many things in the world, but when all that is peeled away, it exists to ensure national survival against existential threats. It is the final guarantor of the state's sovereignty.

We are in a world where no country is fully sovereign – partial sovereignty is the new normal. I recognise in saying this, that this has always been a reality, but I think the situation is different now because we can't offset that partial sovereignty with the security that was provided by the rules-based order guaranteed by the United States, and the model of globalisation that it supported.

From another perspective, globalisation underpinned by the rules-based order allowed us to trade sovereignty for security – or to express it another way, it enabled us to accept levels of strategic risk which are now starting to look unacceptable.

So, what does the emerging world look like? Some propositions:

- we are seeing the emergence of new models of globalisation. Some elements include the rise of authoritarian powers underpinned by capitalist economies who are prepared to develop arrangements of convenience to advance their strategic interests and to weaken the authority to and capability of the liberal democracies;
- increasing nationalisms, some with malign impacts;
- weakening consensus on how the international economic order should be managed and governed;
- the weakening of institutions of global governance, and the de-legitimisation of the underpinning legal frameworks that support them;
- less consensus on what the global problem set is (eg. the climate change wars);
- less appetite for global solutions and a strong emphasis on local, bilateral, or regional based solutions to problems;
- declining capacity to manage major transnational problems – eg. people movements;
- massive disruption through the proliferation of new technologies and social media.

This adds up to a world where the global system is less favourable to our national interests and we have less capacity to influence the development of solutions to problems that impinge on our interests.

From the perspective that I have been discussing, the major feature of the emerging global environment is that it increases, rather than reduces, the risk to our security. And part of that risk is in how the emerging system actually operates. For example, can we assume that in a crisis we will have the same access to we currently enjoy to global supply chains?

So the question is: in a world where partial sovereignty is the norm, where we can no longer trade sovereignty for security with the same confidence that we have done so in the past, where global or transnational institutions and conventions are weakening, and where the rules that guided decision making are either diminishing in authority or being discarded, how do we achieve security?

To frame the question another way is: how do we mitigate the risk that partial sovereignty creates in a world with a global system does not deliver security benefits that it used to? How do we build and manage defence capability in this context?

We are not the only country with this challenge.

If we look at the defence challenge through this lens, we can see that some of the assumptions that underpinned defence policy and planning are no longer as robust as they might have seemed. Some implications include:

- that global supply chains will continue to deliver what we need during a crisis;
- that we can assume privileged access to technology and war stocks through the operation of the alliance system;
- we don't need to stockpile fuel in Australia because of our confidence that the global system would continue to provide supply during a crisis;
- We could continue with a boutique defence industry and just in time logistics systems which are an outreach of larger global systems into which they are integrated.

The world allowed this – in fact, the way the world worked created positive incentives to maximise efficiency through the development of interdependence with external suppliers confident that the rules-based order would continue as we had known it.

It has some other consequences for our strategic culture.

Most of our operational commitments have been to some extent discretionary. We have participated in coalition operations and the primary policy justification has been to support the rules-based order and to ensure that we continue to pull our weight within the alliance.

- The INTERFET operation in East Timor is perhaps the major exception, and I think this has some lessons for the future.

We have developed capabilities that assume very high levels of interoperability with the US. This assumes continuing convergent interests, or that the US will give us priority in a crisis.

We have under invested in defence to the extent that we have used the rules-based order to manage strategic risk. Is 2% really sufficient expenditure in an environment where we are carrying much more risk because of the changes in the strategic order?

I believe this is that that this adds up to a very different world for Australia. More importantly, it means a very different way of operating in the world.

There are many implications arising out what I have suggested here. And, of course, I recognise that the future is difficult to discern through the fog of the present. This is another way of saying that there are many possible futures. But, if we accept that the rules-based order as we have known it is undergoing profound change, then we will need to change, and our policy, and operational culture will also need to change.

We will need to be far more flexible and pragmatic in our understanding and management of the alliance relationship.

- Alliances exist through the activities that are undertaken in their name. They are only relevant for as long as they are relevant; that is, for as long as the activities that are undertaken in the name of the alliance are meaningful to both parties. In a shifting world, we will have to continue to negotiate our alliance as a continuing and provisional proposition that works when it is expressed in meaningful activity that supports our shared security interests. The alliance as some sort of bank account into which you make investments for the future day is not a useful framework in the world that is likely to be as volatile as that which we are entering, and where our interests may at times diverge.
- Perhaps a more productive way to think about an alliance relationship is that it enables the parties to work together to respond to a crisis at the operational level while building strategic capacity to forestall or manage future crises. This puts more emphasis on crisis response; it puts a focus on capability building; it does not imply an ongoing convergence of strategic interests in every situation.

We need to build more resilience and sustainability into our defence industry and logistics systems in the recognition that the global environment carries risk that we may not be able to mitigate in a crisis.

We need to strengthen and diversify our engagement across the Indo Pacific to build the capacity to work with others to respond to crises.

- In doing so, we need to ask the question: what are the likely security challenges and how will they take expression in ways that might require the use of armed force? We then might have a conversation about that with other countries as a framework for building the capacity to respond.

We need to strengthen our diplomatic capacity and to establish a much stronger presence in our region, both to understand what is happening and to influence what might happen.

- Underinvestment in diplomacy reduces our capacity to shape and influence the events and trends that impinge on Australia's interests. In times of change, presence matters and is a strategic and operational imperative.

If I had to sum up the extent to which changes in the world will change us, and the response that we need to build, I would summarise thus: in the past we could handle problems within a strategic framework which was stable and which was generally understood and agreed by all the parties involved. This is what the rules-based order represented, underpinned as it was by American power and the institutions of global governance.

In the future, it is likely that we will need to construct both the rules that govern how we think about a crisis in order to respond, as well as responding to the crisis at the same time.

This means that every crisis will be different and will perhaps demand a response in its own terms. It means that we will experience crises that we haven't had to deal with in the past, so we may not have the historical references to rely on as a vehicle for understanding what we are dealing with and guiding responses.

I think this means that we need a strategic policy culture that is more improvisational, pragmatic, with a more ruthless sense of our national interests in a world that will not necessarily want to support those interests.

This leads me to my final point. In the future there will be times when we need to act alone, or where we will need to exercise leadership. We have not often had to do this in the past – The INTERFET operation in Timor, and RAMSI in the Solomon Islands are examples.

We are far more comfortable operating as part of a coalition led by others. It is perhaps an uncomfortable truth, but that has been a consistent feature of our strategic culture.

So I think our biggest challenge is not a technical or resource or even capability challenge – it is the enormous psychological step of recognising that in the world that we are entering we cannot assume that we have the support of others or that there will be others willing to lead when there is a crisis. We will need to exercise the leadership, and I think that is what we need to prepare for now.

To return to the title of this talk: if we want assured access for the ADF in the Asia Pacific, then we need to work towards a world that ensures that that access is useful and relevant to the sorts of crises that are likely to emerge.

I will leave one last proposition with you. Our assured access for the ADF in the Asia Pacific will be determined by our capacity to contribute to regional crisis management. That contribution will on some occasions require that we lead. The task now is to understand what this means and build that capacity.

Brendan Sargeant

October 2019

