For much of the post-war era, Australia has been on a holiday from history. Rather than taking foreign policy seriously, its politicians have been content to sub-contract Australia’s strategic decisions to its ‘great and powerful friend’, the United States. I suggest that, given the recent tectonic shifts in world power, Australia should now take a more independent view. It is time to shake off our provincial instincts and start taking foreign policy seriously.

Xi Jinping, China’s president, told the Australian Parliament on 17 November 2014 that there is only one trend in the world – towards peace, stability and prosperity. I profoundly disagree. While this was probably true during the first two decades after the end of the Cold War and it would be a wonderful thing if it were still true, the evidence leads me to conclude that it is no longer the case.

Robert Cooper, a British diplomat and foreign policy guru, in 2002 wrote a famous essay in which he postulated that the end of the Soviet Union marked the end of the imperial urge in world affairs and the evolution of a new kind of state, the post-modern state. States could now be classified as:

- pre-modern states – countries that do not have a functioning central government, like Afghanistan, or where the central government does not control all of its territory, like Papua New Guinea;
- modern states – states that maintain the full panoply of state power, like the United States; or
- post-modern states – states that have evolved beyond modern and have voluntarily surrendered the tools of state power and coercion in order to cooperate to solve international problems – states like the European Union (which is dissolving national borders), Japan (which renounced the use of offensive military power after World War II) and New Zealand (which has stripped itself of any offensive military capacity).

21st Century Imperialism

Against that theory, let us look at the imperial urge. Three examples are in the news pretty much constantly today.

The Islamist Caliphate

Firstly, Islamic groups have emerged in the 21st century that have taken advantage of pre-modern and post-modern states to advance their desire to establish a world-wide caliphate, governed by Islamic law, which acknowledges no state’s boundaries. Groups like al-Qaeda, Islamic State, Boko Haram and Jemaah Islamiyah will take any opportunity offered by ungoverned territory or chaos to advance their caliphate. A caliphate is the very definition of a country, system or group with imperial leanings, because they want the caliphate to dominate the entire world.

Russia

The second example is Russia. Under Putin, Russia is trying to regain the power and prestige Russia lost when the Soviet Union ended. Putin has described that as the greatest geopolitical tragedy of the 20th century. When you compare that to World War I and World War II, that is saying something about Vladimir Putin’s view of the world. He is doing everything he can to exercise that imperial power, as evidenced by the invasion of Georgia in 2006 and the invasion of Crimea in 2014. He has followed up the latter by advancing into Ukraine to subtract more land from his neighbour and take de facto control of Ukraine.
When confronted by NATO and by United States and European Union economic sanctions, matched by other countries including our own, Putin’s response to pressure is to increase the pressure and intimidation. An example is the Russian announcement of the resumption of Cold-War era flights of long-range bombers, potentially armed with nuclear weapons, up and down the United States coastlines. Japan has been forced to scramble its air force interceptors twice as often as in 2013. We have seen Russian submarines off the coast of Sweden; and bombers, potentially nuclear-armed, flying along the Baltic state borders. In mid-November, we saw the spectacle of a couple of Russian warships conducting live-fire drills in the South China Sea, apparently the first time they have done that, and then sailing further south to Australia’s northern approaches.

Russia receives derision because a lot of it is decrepit. Russia is a declining power with a falling population. Its economy is declining, especially with the fall in oil prices. But it is difficult not to take seriously a country with 5000 active nuclear warheads, which Putin relies on for his coercive power, because the cost of miscalculation would be horrendous. So his answer to attempts by the world to curb his intimidation is more intimidation.

China

The third example is China. In his second week as president of China, Xi Jinping took his whole cabinet on an excursion to the national museum in Tiananmen Square to see an exhibition on China’s century of humiliation at the hands of Western powers. Li wanted to be seen by the Western countries touring the exhibition with his cabinet. On that same day, in front of media cameras, he declared the ‘China Dream’ – the revival of China as a great nation. It has become the recurring theme of his leadership.

Before he was made president, leaders who had spent a lot of time with him, such as United States vice-president Joe Biden and Australia’s Kevin Rudd, said Xi Jinping was a man with whom the West could do business. Yet, at the same time, he was the chair of the Chinese Maritime Affairs group of the Chinese Communist Party. In 2009, it published its sweeping ‘nine-dash line’ claim to 90 per cent of the South China Sea, which brings China into direct conflict with half-a-dozen countries, including Vietnam, Malaysia, Indonesia, the Philippines, and Brunei. So this is Xi’s vision of China’s future. It just happens to involve territorial clashes with many of China’s maritime neighbours.

An Indian strategic analyst, Professor Brahma Chellaney, has described China’s approach to its maritime territorial claims as ‘covert creeping warfare’ and also as ‘salami slicing’, i.e. where China sends forces of one type or another to make incremental claims against a series of states, one by one, and then, when it has settled the last one, moves back and starts the whole process all over again.

Major General Zhang Zhaozhong, a defence theorist at the People’s Defence University in Beijing, has described China’s strategy as a ‘cabbage strategy’, i.e. like cabbage leaves layered one on another. You begin, say, with a claim on fishing areas by asserting fishing rights, reinforced by gunboats or private fishing boats. Then a resources claim is advanced by geological survey vessels, or perhaps an oil rig is deployed as one was recently in Vietnamese waters. Or it may be that an air defence identification zone is declared unilaterally as in 2013. So it builds up, layer on layer, none of which is an invasion, none of which is literally raising the flag, but all of which are overlaying ‘cabbage leaves’, each of which is enforced by a different layer and is underpinned by the reinforcing layers of Chinese state power at one level or another.

Exercising 21st Century Imperial Power

The imperial urge, the imperial dream, I put to you, is not dead. It was briefly dormant. The imperial powers of the 21st century do not use the same role models as their 19th and 20th century predecessors did. The Islamists, for example, are adept at using social media to advance their propaganda. Russia is not invading Ukraine with Russian-marked vehicles or troops. They are all unmarked.

At the G20 summit in Brisbane last November, the Canadian Prime Minister gripped Russian President Putin’s hand and said: “I suppose I’ll shake your hand, but I have only one thing to say to you. Get out of Ukraine!” Putin replied: “We can’t because we are not there”. This is not plausible deniability. Ukraine is simply not a declared Russian operation. It is a covert, undeclared operation.

Then, of course, there is China. The ‘cabbage strategy’ is not a traditional military invasion or territorial claim. It is much subtler; much more intelligent and long term. It is not a punch. China has flexed its muscles, building garrisons and runways at a fast pace across the range of atolls in the South China Sea and, as it does so, it changes the facts on the ground. Again, it is not a traditional method.

Responses to Imperial Aggression

But the countries in the Asia-Pacific region are responding at least in some ways in a traditional manner. There is an arms race underway in the Asia-Pacific. Last year, for the first time since the industrial revolution, Asia spent more on its arms and defence budget than Europe.

Countries that Cooper labelled ‘post-modern states’ and had gone beyond aggression are now foremost in rethinking that strategy – the European Union and NATO are rethinking their defence budgets.

Former United States deputy secretary of state, Richard Armitage, used to say in the 1990s that “it was unthinkable that we would wake up and find that a land war had broken out in Europe. But it is now thinkable that we could have a land war in Asia”.

Page 10

United Service 66 (1) March 2015
What was recently unimaginable is now more imaginable than ever; and not just in Europe. Japan has redifined its post war so-called 'peace constitution'. Prime minister Abe knew he could not get a new constitution through the parliament. So he decided to reinterpret the constitution by decision of the cabinet to grant Japan that which it had renounced after World War II – the right to collective self-defence. Japan is increasing and modernising its self-defence forces.

So the 'post-modern states' have reverted. They are now 'modern states' again. New Zealand, however, has not gone that far. I recently asked John Key, the New Zealand prime minister: "How do you see China's outward assertiveness?" He joked in reply: "A bit risky, but I'm not going to respond like you Australians. You all think you live up in Cairns and are right on the front line". So, while New Zealand has not started rethinking its position, the countries nearer Russian and Chinese aggression are rethinking theirs.

**Australia's Strategic Vulnerability**

It is unthinkable to say what I am about to say to you. It is almost unsayable in Australia at the moment because we have become almost complacent about global affairs in the post-modern era.

Robert O'Neill, an eminent Australian practitioner of strategic studies and a military historian, in a paper for the Australian National University in 2013\(^3\) expressed the view that the world in the 21st century could prove dangerous for a large, well-endowed, sparsely populated country like Australia. With demand for energy and minerals increasing, if powerful nations experience diminishing availability of food, energy and other vital elements, they may look for large countries with smaller populations and march in and take them over. Australia could face threats and situations like those faced by weaker states and smaller nations in the 18th and 19th centuries.

Talk about the unspeakable!

Who would spring to our defence in that situation? The reflex answer is 'the great and powerful friend', the United States. This is why we have the ANZUS alliance\(^4\) against exactly that sort of risk. This assumes, however, that at the time we need assistance:

- the United States is *inclined* to act in Australia’s favour; and
- the United States is *able* to act in Australia’s defence.

Politicians always speak of the ANZUS Treaty as a guarantee. In fact, the text of treaty actually obliges the two countries to consult and work through their respective constitutional processes. Action depends on the decision of the various political institutions. On previous occasions when Australia has sought to invoke the ANZUS treaty, as we know through our Konfrontasi\(^5\) experience, the United States has said "not this week, thanks fellows". The treaty is not a guarantee. Sure, the alliance is the best thing we have, but the text of the agreement only requires the two parties to consult.

Secondly, the United States is a declining power. Of course it is still a major power. It still spends almost as much on defence as all the other countries put together. Yet the relative power shift is undeniable and historic. Hugh White has described the years we are living through as the “end of the Vasco da Gama era", meaning that the half millennium that began with da Gama’s Portuguese exploration and European conquest of the new world is ending and we are moving into a new era.

We are talking about something that Australians have never had to imagine. Of course the United States is aware of, and has responded to, this great tectonic shift. Sometimes, even some of our politicians are aware of it.

The United States has responded with its so called ‘pivot’ or ‘rebalance’ to the Asia-Pacific. On one level this is reassuring. The balance of forces, opportunity and risk has changed. As part of the rebalance, the United States has committed to raise the current 50 per cent of its total naval forces in the Pacific to 60 per cent. On the face of it this is reassuring. What you do not hear is that this will not be achieved by a build-up in the Pacific. It will be achieved by attrition of its forces elsewhere.

In 2013, the then commander of the United States Seventh Fleet said that the Chinese Navy was roughly equivalent in size to the Seventh Fleet for the first time – not equivalent in capability yet, but equivalent in size. That is from the commander of the Seventh Fleet, not some journalist. While it is not equivalent in capability yet, China’s defence budget is growing about 15 per cent a year.

I would suggest that this is the time we need to rethink our traditional posture of: “We’ll have what America is having – maybe a bit more or a bit less”. This is the time Australia needs to think smarter, think independently and rethink all of the cozy assumptions we have had since World War II.

Australia’s governments, of course, are aware at some level of the shifts and the risks. That is why we saw the Howard government begin the dialogue with

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\(^3\)Robert O’Neill (2013). *Preparing to face our next enemy*. The Centre of Gravity Series Paper No. 9, Strategic & Defence Studies Centre, Australian National University, Canberra, p. 3.

\(^4\)ANZUS alliance: The 1951 Australia, New Zealand, United States Treaty which, consistent with each nation’s constitutional processes, binds the three nations to cooperate on defence matters in the Pacific area. Today, the alliance links Australia and New Zealand, and separately, Australia and the United States; and, in practice, its application is worldwide.

\(^5\)Konfrontasi was a violent conflict from 1963–66 that stemmed from Indonesia’s opposition to the creation of Malaysia in September 1963.
the United States, followed through by the Rudd government and then delivered by the Gillard government, of the rotating deployment of United States Marines through Darwin. That so far is the clearest manifestation of the pivot – a clear indication that Australia seeks more reassurance from the United States; and that the United States is prepared to look at deploying more force to the Asia-Pacific as a result of the historic changes afoot. So the Howard, Rudd and Gillard governments can all take some credit for this.

The Gillard government, however, followed that by reducing the Australian defence budget, as a share of GDP, back to its 1939 level. So even when we manage to come up with quite a creative, interesting and constructive solution, we then go and immediately undercut it by cutting our own defence budget. We have the United States making a larger commitment to our defence, so we can cut our own. If you think Americans do not notice when they are being gamed, you are wrong.

Abbott has at least promised to redress that mistake and restore the defence budget to 2 per cent of the GDP but, as Defence says, it will take a decade to get there.

Australia’s Economic Opportunity

The outlook, though, is not all terrible. We have conflicting, coexisting trends in the world. On the one hand there is increased risk, territorial and imperial. At the same time, we have increased integration in commerce and cooperation across a number of fronts.

Australia is in a better overall position to deal with a riskier, more unstable region than ever. We have just entered the 23rd continuous year of economic growth – unprecedented for our country; unprecedented for any developed country. Australia’s per capita income is among the highest in the world – 40 per cent higher than the United States; 1.5 times higher than Britain. Australia enjoys the highest living standards of any developed country in the world according to the OECD*. Australia has the best living conditions available on planet earth. This is something about which we should be proud.

Australia has become more internationalised than ever with a wider range of contacts, cooperation and engagements, across a wider range of countries than ever before. When you look at trade deals done, all credit must be given to the Abbott government which has made trade agreements with China, Japan and Korea. On 18 November 2014, Abbott and Indian prime minister Narendra Modi said they wanted to get a free-trade agreement between Australia and India in about a year.

The Australian public and workforce are more educated and skilled than at any time in our history. We have more food, mineral and energy resources available to ship overseas than we have ever had before. The food and resources bases, perhaps, are a temptation for other countries, as Robert O’ Neil has said, but are also a strategic asset. The very fact that Australia is exporting these assets and doing free-trade agreements with a range of countries, not just Britain in the old imperial trading style, is a strategic advantage. Australia now trades on equal terms with all of the great economies of the world. There is an element of economic competition between those countries. Australia, as a possessor of assets which they all seek, can use these assets to its advantage.

Tony Abbott has a line he used with Xi Jinping: “Australia stands ready to help China, Japan and all the great economies of the world to guarantee your food security, your energy security, and your mineral security. We stand ready to do everything we can to help you.”

How many nations can say that plausibly to the world’s second biggest economy, on some measures the biggest? We can help guarantee your food security, your energy security and your mineral security. We are great, aren’t we? We do get carried away with our self-deprecation at times.

Kowtowing versus Self-interest

Our traditional position with China has been a pre-emptive kowtow. There was a national outcry last year when Tony Abbott said that Japan is our best friend in Asia: “The Chinese will be upset with us.”

When Julie Bishop stands up to the Chinese when they unilaterally declare an air defence zone and tells them publically that it is disruptive and unhelpful, she is taking the right approach. The commentariat and the Labor Party say: “They will punish us”; but we should not live in fear of China.

In November last, the Australian Financial Review front page said: “The Australian PM is going to meet with the United States president and Japanese premier. China will be angry with us.” One of the great recent developments has been that this pre-emptive kowtowing, in anticipatory fear of Chinese retaliation, has been utterly debunked.

The other great example was when America said it would rotate the Marines through Darwin, the commentariat said: “Oh, the Chinese will be angry”. What happened? Chinese naval assets exercised with Australian and United States naval assets for the first time. We saw a Chinese president asking the Australian prime minister to accelerate the free-trade agreement and China straining to get a stronger relationship with us. All this pathetic pre-emptive kowtowing was utterly debunked.

Australia has to act in its own self-interest. Do the Chinese worry when we do so or do we give a damn when a Chinese president meets with the Russian

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*GDP: gross domestic product
OECD: Organisation for Economic Cooperation and Development

Page 12

United Service 66 (1) March 2015
president or has other international groupings? I think this is a clear win, providing Australians pay attention and draw the right conclusions, and is a signal that we have grown up.

Conclusion

On 18 November 2014, Narendra Modi, India’s prime minister, addressed the Australian parliament about economic engagement, a new trade agreement he hopes to have with us and movements toward international trade. He said: “Economic engagement itself is not enough to maintain stability and security. It is a fashionable assumption that there is so much economic integration we can’t have disruptions like warfare …… This was debunked in World War I in 1914.” Implicit in Modi’s comment is that it could be debunked again. We need regional institutions, says Modi. Australia is in a good position to create and reform institutions that are capable of meeting the challenges of our new times and economic opportunities.

We live in a time of great risk, but also of great economic opportunity. It is Tony Abbott’s time of opportunity as prime minister. In an interview, he did with me when still in opposition, Abbott said: “Australia is a country that should not get tickets on ourselves. We should not get ideas above our station.” As prime minister, he has said: “Don’t underestimate Australia”. He has also said: “Australia is a country capable of much more than many Australians assume”. Abbott has transformed as events have forced him to rethink Australia’s position. The shooting down of Malaysian Airlines Flight MH 17 has forced him to rethink the value of international relationships, foreign policy and strategic policy. It is potentially available to Abbott to fully grow up, to take Australia’s place in the world of strategic affairs seriously. It is early days, so we will reserve judgment. We hope he takes it seriously because, as we know, not all Australian politicians have. But our holiday from history is over.

The time has passed for remarks like those of Bob Carr, then foreign minister of Australia, in an appearance at the Lowy Institute. A member of the audience asked him: “Would you share your fundamental conception of Australia? How would you represent us to the world?” Bob Carr answered: “We are a funny, friendly, benign country where the rule of law applies. We are a country that threatens no one. We come to a halt for a horse race. Our most successful comedian is a madcap female impersonator. It is a country with the weirdest animals, none of them predators, and a country where the birds laugh at us.”

To Bob Carr, I would say the time has come for Australia to be taken seriously. I love Australian native birds as much as Bob Carr does. I just don’t want Australia to be a galah.

The Author: Peter Hartcher is the political editor and international editor of The Sydney Morning Herald. As such, he is the paper’s principal analyst and commentator on national politics and global events. He is also a non-resident fellow at the Lowy Institute for International Policy. He has worked as a foreign correspondent in Tokyo and Washington and has won Australia’s highest journalistic accolade, the Gold Walkley award, and the Citibank award for business reporting. His latest book is The Sweet Spot: How Australia made its own luck and could now throw it all away. His 2005 book on the United States economy, Bubble Man: Alan Greenspan and the missing seven trillion dollars, foresaw the collapse of the American real estate market and the recession that followed. He is acknowledged as an independent, non-partisan commentator. [Photo of Mr Hartcher: Colonel J. M. Hutcheson MC]