ROYAL AUSTRALIAN AIR FORCE
AIR POWER DEVELOPMENT CENTRE

The Security Environment in the Asia-Pacific: An Australian Perspective

Sanu Kainikara

This paper is an expanded version of a presentation that the author gave at the Asia–Pacific Conference held in Maxwell Air Force Base, Alabama on 6–7 December 2011 hosted by the US Air Force Research Institute. An abridged version of this paper will appear as a chapter in the proceedings being published later in the year.

FOREWORD

Post 2008, the international community has once again experienced a period of heightened volatility with a number of nations struggling to contain the fall out of the global financial crisis. Although comparatively less affected than some European nations, the Asia-Pacific also is witnessing a certain amount of instability. Australia, as a trading nation is not immune to these changes. The undeniable fact is that the security environment in the Asia-Pacific will be impacted by the economic stability or otherwise of its constituent nations.

Australia's security and prosperity is underwritten by its economic stability and its ability to develop its trade and commerce further. This can only be ensured through making its trade routes, especially the sea lanes through which its trade flourishes, safe and open. In other words Australia's continued security is dependent on the safety and security of the ocean commons. It is therefore, not surprising that Australia's defence strategy has always been built on a national maritime strategy—whether articulated in so many words or not.

This paper examines Australia's strategic interests and outlook from a strategic perspective and puts forward some views on its security perceptions. In contextualising Australia's maritime strategy within the ongoing developments in the Asia-Pacific region, this paper serves a useful purpose. I recommend this paper to all students of national security and strategy.

Mark Hinchcliffe
Group Captain
Director
Air Power Development Centre

ABOUT THE AUTHOR

Dr Sanu Kainikara is the Air Power Strategist at the Air Power Development Centre of the Royal Australian Air Force and also a Visiting Fellow at the University of New South Wales. He is the author of eight books: Papers on Air Power, Pathways to Victory, Red Air: Politics in Russian Air Power, Australian Security in the Asian Century, A Fresh Look at Air Power Doctrine, Seven Perennial Challenges to Air Forces, The Art of Air Power: Sun Tzu Revisited and At the Critical Juncture. He has presented extensively in international forums and published numerous papers on national security, strategy and air power. He is the recipient of the RAAF Chief of Air Force's Commendation.

Dr Kainikara is a former fighter pilot of the Indian Air Force who retired as a Wing Commander after 21 years of commissioned service. During his service career, he has flown over 4,000 hours on a number of modern fighter aircraft and held various command and staff appointments. He is a Qualified Flying Instructor and a Fighter Combat Leader. He is also a graduate of the National Defence Academy, the Defence Services Staff College, and the College of Air Warfare. He is a recipient of the IAF Chief of Air Staff Commendation and the Air Force Cross.

After retirement from active service, he worked for four years as the senior analyst, specialising in air power strategy for a US Training Team in the Middle East. Prior to the current appointment he was the Deputy Director Wargaming and Doctrine in the Strategy Group of the Department of Defence. He has also taught Aerospace Engineering at the Royal Melbourne Institute of Technology University, Melbourne.

He has two Bachelors degrees, a Masters degree in Defence and Strategic Studies from the University of Madras and his PhD in International Politics was awarded by the University of Adelaide.

INTRODUCTION

The collapse of the Soviet Union, even though the rapidity of its decline was unanticipated, brought about a general belief that the world would thereafter move on to becoming a more benign and peaceful place in comparison to the competitive years of the Cold War. It was also anticipated that the hegemony of the United States (US) would ensure that the world became and remained a unipolar entity. In an overarching manner there has been no direct challenge to US primacy in terms of power projection capabilities and therefore it could be said that the world has indeed moved towards a unipolar state. However, the reality in terms of the security environment that has emerged after two decades is somewhat different. The world is today a much more volatile place as compared to the Cold War era, with even minor nations asserting their will through both overt and covert use of force. Further, while the activities of non-state actors are not exactly a new phenomenon, from the turn of the century these groups have now taken centre stage in influencing the security environment.

In addition to the volatility of the international security scenario, the globalisation of economies and trade has brought about a change in the concept of national security. It is no longer possible for a nation to isolate itself from the events taking place across the world and yet hope to maintain a prosperous and self-sufficient economy. This leads to security imperatives which dictate that a nation must be prepared to defend its interests wherever they may be, as opposed to the traditional concept of security which mainly involved safeguarding the sanctity of the physical borders of the country. The outward looking perception of security is now accepted as a necessity by all nations, which has ramifications for international relationships and global as well as regional stability.

As early as the 1980s, there was tangible proof that global trade patterns were shifting with the transpacific trade initially equalling, and by the late 1900s overtaking, the transatlantic trade both in quantity and value. The importance of the Asia-Pacific region stems not only from this shift, but also from the fact that the Asian economic powers—China, Japan, India and South Korea—depend on maritime trade conducted through the Pacific and Indian Oceans for their continued growth. They are dependent, to different degrees, on the import of energy resources through the sea lines of communication for their continued economic stability. This stretches their strategic economic interests far beyond their power projection capabilities making this dependence a

security vulnerability. All the major Asian economic powers lack the military ability to protect their global interests, although there are visible moves from these nations to redress this anomaly. However, global power projection capabilities are not easy to develop and require long gestation periods to come to fruition. Even then, these economic powers are becoming increasingly influential in the international forums and gradually altering the global order. The strategic power manipulations and manoeuvres for global dominance in the 21st century will be played out in Asia.

The US has been, and continues to be, the predominant power in the Asia-Pacific region and has longstanding alliances with the major trading nations—Japan, South Korea and Australia—and is carefully improving its relationships with India and a number of South-East Asian countries. Even though the US seems to have overstretched both its military and economic power over the past decade in conducting two simultaneous campaigns in Afghanistan and Iraq, it will retain its global lead for the foreseeable future. Indeed, all mature global economies look towards the US as the catalyst for economic recovery.

Australia is firmly committed to its alliance with the US and since World War II has based its security on the veracity of this alliance. Within this envelope Australia is compelled to develop its security policies in the context of the broader environment of Asia and the Pacific because of its geographic location. While the landmass of Australia is only marginally smaller than the continental US, it has a fairly small population which is going through a fundamental change in its demographic make-up because of changed immigration trends and an ageing population. In addition, the population is concentrated in the eastern seaboard because a major portion of the island continent is arid or semi-arid, which is unsuitable for profitable agricultural activities. Further, it sits uncomfortably at the extremity of the Asia-Pacific region as a 'Western' nation and is not automatically considered as an Asian entity. This complex mix of virtual and physical positioning has complicated its security perceptions to a great extent.

AUSTRALIA'S STRATEGIC INTERESTS

All nations face threats to their security in a very broad manner, almost on a continuous basis. However, all threats cannot be ameliorated and therefore it is always necessary to carry out a risk assessment of each threat based on the consequences of not neutralising a particular threat. This process will also have to be continuous and ongoing, since predicting the geopolitical risk cycle is impossible. Security risk assessments will have to be primarily based on the nation's enduring strategic interests so that passing or temporary threats, which may have the capacity to complicate and confuse the broader and overarching security requirements, can be identified and dealt with accordingly. Further, it will also be necessary to monitor events within the nation's region of interest in order to recognise the ones that could shift the balance of power between competing nations. For long-term security planning it is vital to identify the nation's enduring strategic interests which should then form the basis for the development of clear national security policies. Enduring strategic interests must be protected even if they warrant the use of force.

Australia has four primary strategic interests. They can be prioritised, but are interconnected and can be viewed from a geographic sense in that they are like concentric circles emanating with Australia as the epicentre. The enduring strategic interests are: a secure Australia; a secure immediate neighbourhood; strategic stability in the Asia-Pacific region; and a stable, rules-based global security order.

A Secure Australia. The primary strategic interest is the defence of Australia from direct armed attacks. Direct attacks could be carried out either by other states—a highly unlikely scenario under the current security environment—or by non-state entities, which is a much greater possibility. Irrespective of the source, protecting the nation from such attacks is the first priority. In turn, this means that Australia must be able to control the air and sea approaches, especially to the north from where the most likely threat would originate. This control could also involve neutralising hostile forces in their bases before they can be brought to bear directly on the nation or attacking them during transit. While this is comparatively easily achieved, if the nation possesses adequate military capability, defeating non-state entities could prove to be more difficult. Non-state entities are best contained by a combination of military and civilian actions, undertaken in a whole-of-government process. Australia has to be cognisant of the fact that it does not have the capacity to counter the activities of a great power if one decides to operate consistently within the air and sea approaches to it. Therefore, Australia

is reliant on strategic alliance with a global power—in this instant the United States—to ensure the protection of its air and sea approaches, thereby diminishing the probability of another power with inimical interests dominating this vital area.

A Secure Immediate Neighbourhood. In order of priority, the next strategic interest for Australia is to have a secure and stable neighbourhood—Indonesia, East Timor, Papua New Guinea and the South Pacific island nations. The primary importance is to ensure that they do not become a threat to Australia directly or indirectly. Even though the likelihood of any of these nations attacking Australia is remote, the development of military capabilities that can influence the activities in the air and sea approaches can also be counted as a direct threat. Australia, therefore, maintains diplomatic, economic and cultural ties with its immediate neighbours while astutely maintaining a clear military superiority, which would make it difficult for these nations to challenge its primacy. More important than ensuring such primacy is the necessity to ensure the stability of these nations, especially the smaller island nations. Instability can lead to these small nations becoming fragile and failing states that in turn could threaten Australia's interests. Australia supports internal stability and good governance of these nations to avoid them becoming security risks. Within the neighbourhood, Indonesia is of particular importance since a fragmented and unstable Indonesia will have disastrous consequences for Australia's security because almost all threats to the nation's wellbeing will have to transit through the Indonesian archipelago. Furthermore, history demonstrates that any collapse of a regional nation, economically or in terms of law and order, results in an influx of refugees to Australia bringing with them enormous security challenges.

Strategic Stability in the Asia-Pacific Region. The stability of the broader Asia-Pacific region—from North Asia to the Indian Ocean—is of enduring strategic interest to Australia. The nations of South-East Asia are particularly important since any sustained projection of force against Australia would have to come through this area. Even if direct force is not applied, these nations could be used as bases to threaten trade and the supply of resources that are critical for Australia's economic wellbeing and development. It is felt that the rise of a regional power, that could use the threat of force to coerce smaller states, could be a destabilising force for the region. Therefore, Australia works to strengthen a regional security architecture that supports peaceful resolution of issues rather than resorting to bellicose use of force or coercion. From an Australian perspective, this regional architecture will have to include the United States, Japan, India, China and Indonesia as well as the smaller nations in a cooperative manner. It also acknowledges that continued engagement by the United States underpins the success of such endeavours.

A Stable, Rules-Based Global Security Order. There is firm belief that Australia can only be secure in a world that itself is relatively secure. It advocates a leading role for the United Nations as essential to ensuring that state-on-state aggression is avoided as well as in containing the inherent threat to global stability through acts of terrorism, civil war and state failure, and the security issues that arise from climate change and competition for resources. Australia, as a responsible international citizen, assists the United Nations within its mandate to restore and maintain order when necessary and subscribes to the notion of 'responsibility to protect'. Towards this end, Australia contributes both economically and militarily to United Nations' initiatives in different parts of the world, as far as possible and within its limited resources. Nuclear nonproliferation is another initiative that Australia supports in the international arena. In the broader global security environment, Australia believes that the United States is of primary importance in ensuring international stability and dealing with global security challenges.

The stated strategic interests recognise that Australia will have to be able to initiate and sustain decisive action in the defence of its sovereignty while being able to contribute effectively to maintaining both regional and global stability. However, Australia also recognises the fact that its ability to influence events diminishes with distance from its shores becoming perhaps only a token response to issues arising far away. Its security planning is therefore built on accepting the fact that there is a limit to its capability to influence and that such influence is highest closer to home.

FACTORS AFFECTING AUSTRALIA'S STRATEGIC OUTLOOK

National security planning must always take into consideration the global distribution of economic, political and military power. A number of nations around the world, even those that do not have formal bilateral or multilateral alliances or agreements with the United States, base their security strategies on the strategic primacy of the US. While this strategic primacy has not been effectively threatened, an increasing trend towards a multipolar world is noticeable in the changes visible in international strategic power realities. These changes are mainly driven by economic developments as well as by global demographic changes and population movements, which in turn are driven by a number of factors such as environmental changes, resource constraints, transnational crime, fragile states that cannot provide effective governance to their population, and civil wars and conflicts.

Developments in the Asia-Pacific region are critical to Australia's security. Since a number of large economic powers—United States, China, Japan, India and Russia—all have interests in this region, their activities are likely to intersect creating tensions. The power equation can become volatile with the chances of miscalculation increasing accordingly. Although the possibility of direct conflict between these nations is remote, indirect confrontation cannot be ruled out. This will increase the tensions and create strategic instability, especially for the smaller nations of the region. Australia will not be immune to such changes and will have to carefully balance its diplomatic and economic initiatives with sufficient and effective power projection capabilities.

There are five fundamental factors that directly affect Australia's strategic outlook. They are: the role of the United States in the Asia-Pacific region; the status of the South Pacific nations; the shift in global economic activity to the Asia-Pacific; the stability of Indonesia; and the strategic implications of the rise of China.

In addition, groups that perpetuate Islamic terrorism will be a destabilising factor and pose a direct threat to Australia and its interests. The activities of these non-state entities will be concentrated in the Middle East and South Asia, especially in weak and fragile states. However, Australia plays a vital role in countering and diminishing this threat in the South-East Asian region. While acts of terrorism create a high probability of threats to human lives and infrastructure, they do not as yet pose a longstanding strategic threat to the nation. Short-term effects, however, cannot be ruled out and the nation relies on a constant vigil to neutralise the possibility of such attacks delivering more than a token threat.

The Role of the United States in the Asia-Pacific Region

The United States will remain the most powerful and influential nation in the global order for the foreseeable future and has recently shifted its security focus from Europe to the Asia-Pacific. This is so even while it is undergoing some of the worst financial crises that it has encountered in a long time. Australia believes that this strategic primacy will lead to a stable global strategic security environment, one that is conducive to economic growth and prosperity. However, it is also cognisant of the fact that emerging powers like China, India, Russia and the European Union can also exert global influence in varying degrees in a contextual manner. The US has the ability to project power globally, although its capacity to position forces in a forward deployed state has been diminished both through its long-drawn wars in Iraq and Afghanistan and the simultaneous financial crisis. However, forward deployed forces are at times necessary to reassure partners and allies of its intent to influence a particular region.

This situation brings into focus the debate regarding the willingness and capacity of the United States to retain its strategic primacy in the Asia-Pacific region. From an Australian viewpoint, the willingness of the US to stay engaged in the region is not in doubt, especially since there is an enduring treaty alliance between the two nations. However, its ability to overcome any challenge to its primacy is directly affected by the global distribution of power. The emergence of regional powers like China and India and the willingness of these nations to exercise their new-found power to further their interests could become a challenge to US activities in the Asia-Pacific region. In the past few years the US administration has clearly indicated its intention to remain fully engaged in the region and Australia bases its security calculations on this being the case.

The fact that the US is somewhat stretched in terms of its strategic capacity to enforce its will because of its preoccupation with Afghanistan and the 'war on terror' is not lost on any nation or observer. This constrains the

United States' ability to project power into any other region at will, making it dependent on its regional allies like Australia to maintain stability within their sphere of influence. Building regional security arrangements that can avoid the growth of one or multiple nations into regional hegemons therefore becomes a requirement. However, for the foreseeable future Australian security will be underpinned by the primacy of the United States in the Asia-Pacific region.

The Status of the South Pacific Nations

Australia and the smaller nations of the South Pacific are indelibly connected through geography and a shared history. Ensuring the stability and prosperity of these nations is a strategic requirement, since a vulnerable nation in its close neighbourhood automatically exposes Australia to the same threats. However, weak governance, corruption, crime and social challenges create economic stagnation and political instability in many of the South Pacific nations. Unfortunately these same nations are also more prone to be at the mercy of frequent natural disasters. Their inability to deal effectively with natural as well as man-made calamities that become humanitarian crises tends to make these nations liable to become rapidly failing states with all the accompanying chaos. Australia will have to respond directly with appropriate humanitarian and security assistance in order to contain the spread of the destabilising influence to other nations.

Australia has to constantly build and sustain basic infrastructure, improve governance to a tolerable level, create law and order and improve basic health and education standards to ensure that these nations do not deteriorate further from being fragile states to becoming failed states. Further, it is in Australia's security interests to ensure that these nations are not coerced, either through economic inducements or through the threat of force, to providing military basing facilities by nations who have competing interests. Such a development is bound to constrain Australia's ability to operate freely in the region in the pursuit of economic development. Therefore, it is in Australia's interests to ensure that these nations continue to 'look south' for stability and security rather than assume a posture of 'looking north' for perceived better prospects.

Irrespective of Australia's efforts, enduring cultural and political divisions in these states will break out into violence periodically and will have to be contained. Australia will need to monitor developments in these nations closely and be willing to intervene, unilaterally if required, to stabilise deteriorating situations. Such interventions will have to be a combination of military and civil agencies within a whole-of-government approach to national security. The difficulty in these actions is for the receiving nation to acquiesce to the intervention and for Australia to be seen as a helping hand rather than a regional hegemon or an occupying force. In the prevailing international geopolitical environment this is a very delicate balance to be maintained.

The Shift in Global Economic Activity to the Asia-Pacific

The failure of the Soviet model made liberal market-based democracies that emerged after World War II the optimum model for governance and development of economies. An alternative model is unlikely to emerge any time in the future. In addition, globalisation has ensured the interdependence of economies and linked states more closely to each other than ever before, creating a more interconnected and complex world. Globalisation has brought many benefits, but has also increased the vulnerability, especially of smaller economies, to global shocks. The increased vulnerability of smaller economies to the vagaries of a global financial system makes them fragile and prone to becoming strategic security risks. Australia has a number of small and vulnerable economies in its close proximity and therefore needs to closely monitor and carefully manage them in order to ensure that they do not become failed economies.

In the past decade there has been a noticeable shift of economic weight and activity to the Asia-Pacific, with the global financial engine gradually being established in the region. The current global economic crisis, affecting the Western economies more than the ones in Asia, is likely to accelerate this trend. Any change in economic power will have an almost immediate impact on strategic power and balance. Stability in these conditions can only occur with the major powers being ready and able to cooperate in a pragmatic manner. Competition for influence is unlikely to create a stable environment. Australia is fundamentally a trading nation and prone to be affected by the global economic volatility. In the contemporary geopolitical environment, prosperity of a nation is equated to its stability and therefore economic vulnerability and even slight changes in economic wellness

can create risks to security far in excess of the actual volatility. This is an international situation. However, Australia with its vulnerable neighbours is more at risk than other nations. Added to this risk is the fact that the larger economies of the region are becoming more assertive in their dealings with other nations.

The Stability of Indonesia

In the past decade Indonesia has managed a remarkable transition from being an autocracy to a multi-party democracy. This has been accompanied by far-reaching economic reforms that create a positive trend in its development. Predictions are that Indonesia will continue to grow into a stable and strong nation with sufficient social cohesion to make it a prominent power in the region. Indonesia is the largest country in South-East Asia and is already an important and influential element in regional forums. It also harbours ambitions of being able to play a visible and constructive role in international affairs, commensurate with its status as the world's largest Muslim majority democracy. The size of its economy makes it critical to the success of any regional alliance mechanism that is developed, making it one of the foundations of regional security.

Stability of the South-East Asian region is dependent on Indonesia continuing to pursue democratic reform and evolving into a mature democracy. If it lapses into authoritarian rule or becomes overly nationalistic in its approach to bilateral and multilateral relations, there is increasing chance of the region being destabilised from a security and trade point of view. The shift in economic activity to the Asia-Pacific will bring with it a certain amount of great power rivalry into the region. A cooperative relationship between Australia and Indonesia will be able to avoid such rivalries from becoming confrontational, while continuing to improve the economic status of the smaller nations in the region. Security of the region hinges on the ability of Indonesia to develop positive relations with its neighbours through entrenched democracy that provides the foundation for the nation to move towards economic prosperity. A fragile Indonesia will be a destabilising influence across the region.

The Strategic Implications of the Rise of China

It is stating the obvious when predictions are made that, barring some unforeseen major setback, China will be a major driver of both regional and global economy in about two decades. China is Australia's largest trading partner and therefore Australia's economic growth is intrinsically connected to China's growth. Setbacks in China's economy can have an immediate and palpable impact on Australia's economic wellbeing that will create a ripple effect, indirectly impacting on stability and security.

Uninterrupted economic growth will automatically transform into an ascendant strategic influence. In addition, China has clearly demonstrated an unambiguous ambition to become a global power. China's foreign policy is oriented towards achieving this goal and is heavily influenced by its peculiar sense of nationalism. China uses its nationalism as a tool to control both domestic challenges and also to influence its relationships with other nations. Accordingly, its foreign policy spans the entire spectrum from being benevolent to aggressive in a contextual manner according to Chinese whims. The other side of the coin is China's increasing military capabilities that are being built up to ensure a credible power projection capability. An arrogant foreign policy, backed by a well-developed and booming economy and growing military might, is an unsettling element in international relations. When this is accompanied by less than transparent developments in military capabilities and territorial disputes with almost all neighbours, other nations are bound to be concerned. This situation can rapidly deteriorate into confrontational politics that destabilises the region. At the moment China is reluctant to incorporate sufficient confidence-building measures to dispel the concerns of its neighbours and demonstrate that its military build-up is essentially benign and in keeping with the status of a growing power.

By far the two most important factors in the strategic rise of China and its impact on the security environment are US-China and Indo-Chinese relationships. Chinese initiatives to integrate Taiwan and their timing remain pressure points in these relationships.

The China policy being pursued by successive US administrations has a fundamental contradiction—there is a policy of engagement for mutual benefit in economic dealings and one of engagement to ensure that China remains 'responsible' and indirectly subordinate to the US in terms of security issues and building regional stability. The first could easily shift the balance of economic power and the second is an indication of how the US views the rise of China, warily and with concern. The US is also gradually realising that in its relationship

with other Asian nations, common interest against a belligerent China does not always translate to firm alliances. This is evident in the development of bilateral relationships between the US and Vietnam and US and Indonesia. The US faces geographical, economic and technological challenges from China, and the nations of the region are keenly observing how the global power deals with them. While the situation is not in any way as confrontational as the Cold War, there is an underlying and ever-present layer of tension in all US-China dealings. This is not conducive to stability in the Asia-Pacific.

From an Australian perspective, the best way forward would be if the US-China relationship can be progressed through accommodation rather than confrontation. This is not only economic pragmatism but a basic requirement to continue the stable growth of the region. To achieve this the US will have to start building partnerships with the nations of the region rather than attempting to continue the earlier relationships that bordered on the regional states being subordinate to US hegemony. Again this is a logical way to approach the emerging situation wherein the influence of the US—economic, military and diplomatic—is seen to be waning in the Asia-Pacific and the ability of the US to be the single stabilising force in the region is being actively debated. The region is monitoring and focused on what the US is not doing in the region—rather than what it is doing—whether due to its preoccupation with other areas or the financial crisis creating a lack of capacity to deliver on two disparate fronts. Australia has to do a delicate balancing act and exert its influence on both these nations in order to try and maintain a status quo situation that does not deteriorate.

The relationship between India and China—at times confrontational and at times reconciliatory—is not only interesting to monitor, but also of critical importance to the stability of the greater Asian continent. India is becoming more important economically and has increased its external engagement considerably in the past decade. It clearly seeks to continue its development and also covets recognition as a major power with global interests. India's primary focus is on the Indian Ocean and only peripherally in the Asia-Pacific region. However, it must be stated that the failure of democracy in Fiji, which was supported by its majority Indian origin population, has not gone unnoticed in India's strategic calculations. In this scenario, China's forays into the Indian Ocean, ongoing border disputes with India in the east and occupation of territory in the north that India claims as its own have been treated with extreme scepticism in India. However, even under this extreme situation India does not consider the concept of 'strategically containing' China as a viable option. The so-called quadrilateral alliance—US, Japan, Australia and India—which was mooted few years ago was considered only a basic security understanding rather than as a mechanism to either monitor or contain China.

Indo-Chinese interaction will, of necessity, have to be bilateral. This is an imperative and not an option for both the nations. Third country participation will only be an adjunct and is not a critical factor to be considered. The primary competition between the two nations will be for greater influence in the Indian Ocean, which is now one of the most important global sea routes that carry energy resources between the Middle East and Asia. Further, there are a number of significant inter-state conflicts that are ongoing on the periphery of the Indian Ocean that could become potential flashpoints which could draw external powers to the region. The Indian Ocean is gradually becoming host to great power naval presence and the ensuing struggle for primacy between them. This crucial maritime region is likely to see increased militarisation by external powers competing for strategic influence, China amongst them. The Indian response to Chinese activities in the region could trigger confrontation that both nations do not want in the current environment. Australia, with a vested interest in the Indian Ocean remaining peaceful and stable, will need to factor in its centrality to the nation's security calculus.

The Indo-Chinese relationship and diplomatic sparring is a classic case of economic realities overcoming even geopolitical concerns. It also shows that maturity in dealing with foreign affairs in a deliberate manner can and does tend to avoid minor confrontations from becoming full-blown crises. However, the Indian Ocean will remain a contentious issue between India and China, which will add to the tensions of the region as well as to the speculations regarding China's intent in the region.

AN AUSTRALIAN PERSPECTIVE OF ITS SECURITY

Australian security is built on an alliance-based strategy. This is primarily because it lacks the demographic depth, technological base and resource availability to implement a stand-alone policy on securing its interests and defending its borders. Australia's strategic posture is defined through its alliances, bilateral and multilateral defence agreements and relationships, and membership of a number of regional and global security forums. These networks reduce the potential for confrontation over contentious issues and provide the means for long-term security and stability. Building such relationships requires dedicated investment of national resources and are long-term commitments, while nurturing them to function even under extreme pressure requires patience and skill. However, success in these endeavours will secure the nation better than having a potent but stand-alone security force.

The Need for a Maritime Strategy

Australia is dependent on its trade with other nations for its continued economic stability and the prosperity of its population. Even with the improvements that have been brought about in the realm of air freight, the quantum of material that can be transported by air in a commercially viable manner is limited in most cases and airlift is impractical in others. Therefore, the bulk of trade still flows through the oceans of the world. For Australia this translates to almost all trade having to transit through long sea lanes in the Indian and Pacific Oceans to the north and north-west of the nation. This becomes a critical vulnerability to the nation's security. Any disruption to these approaches will have immediate and dire consequences for Australia's economy and bring in associated security challenges. This situation obviously requires Australia to protect its sea lanes of communication that emanate through what is generally termed as the air and sea approaches to the nation.

While accepting the need to protect its air and sea approaches, there are other factors that need to be considered. The geographical positioning and political-economic status of Australia is such that a direct attack on the mainland can be ruled out with reasonable assurance. However, indirect attacks on its sovereignty—by both state and non-state entities—through actions to diminish its economic strength cannot be ruled out. This will, in all likelihood, be initiated as the disruption or even blockading of vital trade routes.

When the two factors—dependence on trade as a national priority and the vulnerability of its trade routes—are combined, it brings the realisation that Australia's security will have to hinge on a maritime strategy. A maritime strategy is a judicious combination of air and sea control and denial achieved through an optimum mix of the use of air and maritime power projection capabilities. In order to secure its interests Australia needs to be able to safeguard its air and sea approaches in a proactive manner through the prevention, coercion, pre-emption and offensive denial of any subversive activities in the air-sea approaches to the nation. Unlike defending against a direct invasion of the nation, this can be achieved through enhancing air and maritime capabilities through force multipliers and maintaining a conceptual edge over potential adversaries.

There is another factor that is often ignored in the security debate—Australia's deep and continuing interest in developing the Antarctic region as a source of natural resources in a peaceful, cooperative fashion and aligned to the international agreement on future development within the Antarctic. This initiative also requires a dedicated maritime strategy to be successful.

Being an island nation, Australia has no option but to protect its air and sea approaches through the implementation of a well-crafted maritime strategy based on air and sea control. If for some reason, primarily the failure to control its air and sea approaches, the mainland was to be invaded, the resources available to dislodge such actions in both material and human terms is not available to the nation. It would not only be the failure of a maritime strategy but the failure of the entire security apparatus of the nation. In the contemporary security environment Australia must put in place a robust maritime strategy, enforced by adequate and state-of-the-art air and maritime capabilities and supported by sufficiency in the land forces.

Further Security Perceptions

Australia has a history of international engagement, through contribution to the wars of its significant partner nation—Great Britain until the beginning of World War II and thereafter the United States. The rationale was that by combating instability and threats far away from Australia's shores, the security of the region and the nation could be ensured. While this concept has been interpreted in various ways, the primary premise remains true even today. This belief is further reinforced by Australia's ambition to be a responsible international citizen and the peculiarity of its geographic situation—it does not share a geographic border with any other nation and is sufficiently remotely situated to avoid casual contact with belligerent forces. In effect, Australia has used the contribution of its military forces to distant wars as an insurance against a direct threat to its sovereignty, a repeated pattern since its participation in the Boer War.

Australia could face two primary types of challenges to its security—geopolitical confrontations and military technological confrontations. Geopolitical confrontations will threaten stability and security in the long term and must be carefully addressed. Although the impact of such confrontations may only be felt gradually, they have the potential to spiral out of control into greater confrontations with far greater detrimental consequences to the security environment. On the other hand, military technological confrontations are potentially disruptive events with more immediate effects. Within Australia's area of interest, more regional militaries are building their capabilities through direct modernisation achieved through capital acquisitions and enhanced by networking the capabilities. These developments that will lead to these militaries becoming power projection tools have the capacity to change the regional distribution of power. Further, the ADF could become constrained in its ability to operate freely in certain areas if the alteration of the power equation is adverse to Australia's interests and could be the beginning of the emergence of a strategic risk. The global financial crisis could perhaps slow down this regional trend and stop it from becoming a full-fledged arms race with all the attendant issues that arise.

The fundamental policy that Australia follows is to avoid the use of force or even its threatened use as far as possible. This is in keeping with its inherent belief that the use of force will only bring about temporary respite in a confrontation, that too only if one side emerges as a clear winner, and that the resolution of a confrontation is best achieved through dialogue and accommodation. Towards this end, Australia has always supported, to the extent that it limited resources permit, all initiatives of the United Nations aimed at peacekeeping and stabilisation of volatile regions. This effort is a major factor in Australia's security outlook and is expected to yield dividends towards securing the nation and its interests.

Developments in the Asia-Pacific region and in the broader Asian context will have a salutary impact on Australian security. These developments, even if they involve military build-up by regional nations, will not pose a direct existential threat to Australia. This is because of the power projection capabilities that Australia possesses as well as its inherent stability and maturity of its democratic process. However, even though the possibility of a military threat is extremely low, increased military activity in the region can gradually constrain or constrict Australia's freedom to operate in an unrestricted manner. This is in contrast to the assured freedom that continued US primacy in the region will provide. A challenge to US primacy will be particularly visible in the direct impact it will have on the ability of Australia to pursue its developmental and economic objectives.

Australia is essentially a Western democracy that is geographically situated in the Asia-Pacific. In the past four decades or so it has made concerted attempts to become part of the Asian collective economic and security forums and has been marginally successful in getting accepted by the Asian nations on an equal footing. This could stem from the anti-colonial ethos of a majority of the nations that were erstwhile colonies of Western powers as well as the 'White Australia' policy that was pursued by successive Australian Governments until the 1960s. From a security perspective, this is a nebulous situation and needs careful handling. Australia has initiated both bilateral arrangements with its neighbours and proposed an Asia-Pacific multilateral forum to discuss collective security and resolve outstanding issues in an amicable manner. Since the Association of Southeast Asian Nations exists as a longstanding entity, this initiative has not gained much traction amongst the Asia-Pacific nations. While the animosity towards Australia has certainly diminished and it is looked upon as a benign and helpful nation, it still lacks open inclusivity within the region. Open acceptance as part of the region is still a faraway objective for Australia.

A major factor that continues to plague Australian security is that it has only limited control over the factors that affect its security and strategic outlook. This leads to a situation where, at times, Australia has be reactive to emerging security issues rather than being proactive in a long-term basis to mitigate challenges that can be predicted. Further, Australia is a middle power and does not have the abundance of power essential to enforce its security needs through the employment of its foreign policy, economic initiatives or the actual application of force. This is an unenviable situation for any nation and could lead to difficult security challenges if not prudently alleviated at an early stage in their emergence.

Australia's security and regional stability depends on its ability to influence the major powers—US, China, India, Japan and Russia—to share power within a collective leadership model that will provide an environment conducive to mutual development towards prosperity.

CONCLUSION

Nations have always faced threats to their security and have dealt with them in different ways according to their own definitions of national security and perceptions of the nation's requirements to prosper. This is a common thread across time and applicable to all nations. The changes that can be observed are brought about mainly through the evolving definition of security that now transcends the traditional concept of the protection of the physical entity of the state. In fact, definitions of security now encompass even non-quantifiable, vague and by themselves ever-evolving concepts such as 'respect' for universal, national and human values.

Globalisation facilitates integration and interdependence between nations and has brought about unprecedented human development as well as the spread of people, ideas and education. It has great potential for poverty alleviation and provides economic opportunities for individuals and nations as never before. However, globalisation has also brought about increased inequality between, as well as within, nations and increased the vulnerability of nations to global shocks and crises. In effect, security and stability of nations have become even more fragile with new system risks brought about through the same interdependence that brings prosperity. Essentially, the security threat threshold is lower than even a decade ago.

Australia functions under a basic disadvantage of having to base its security on another nation's ability and willingness to retain its primacy in the Asia-Pacific. It does not have the power—economic or military—that would automatically translate to political and diplomatic influence to change the course of events or even to alter the status quo. The other factor is that there is bound to be a 'tug of war' between the US and China for supremacy in the Asia-Pacific, if one is not already underway. In these circumstances Australia could assume the role of an 'honest broker' to ensure that diplomatic or economic confrontations and competition do not evolve into all-consuming force projection issues and military conflicts. This is the only way to ensure stability of the region that automatically leads to security and prosperity. It will not be amiss to state that over the past decade Australia has established sufficient credentials, with both the US and China, to achieve this status.