



**S. RAJARATNAM SCHOOL
OF INTERNATIONAL STUDIES**
A Graduate School of Nanyang Technological University

RSIS COMMENTARIES

RSIS Commentaries are intended to provide timely and, where appropriate, policy relevant background and analysis of contemporary developments. The views of the authors are their own and do not represent the official position of the S.Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS. Due recognition must be given to the author or authors and RSIS. Please email: RSISPublication@ntu.edu.sg or call (+65) 6790 6982 to speak to the Editor RSIS Commentaries, Yang Razali Kassim.

No. 101/2013 dated 28 May 2013

Australia's Evolving 'Smart Power' Strategy

By Michael Raska

Synopsis

Australia views Sino-U.S. relations as the key to its future geostrategic environment. Therefore, Canberra aspires toward greater strategic adaptability by engaging China through defence diplomacy and the U.S. through a military alliance. Will this limit Australia's strategic options?

Commentary

AUSTRALIA'S NEWLY published Defence White Paper (DWP) typifies the axiom that national security and defence strategies are not permanent or fixed principles. Rather, they are evolving and require periodic adjustments to changing realities in the global and regional security environment, changing threat perceptions, as well as internal socio-economic developments that condition the pace and character of military modernization of armed forces.

The DWP projects notable transitions in Australia's baseline geopolitical assumptions, strategic outlook, defence requirements, force posture and resource allocation. In particular, the 2013 DWP retracts from the ambitious contours of the 2009 DWP, which envisioned Australia's long-term air and naval capabilities exerting presence and influence in the broader Asia-Pacific region.

Embracing defence diplomacy

Facing economic challenges coupled with steep defence budget cuts, Australia's 2009 DWP concept of "Force 2030" - with procurement plans over the next 20 years worth more than AUD70 billion - has proved politically unaffordable and operationally unrealistic.

In 2012, Australia reduced its defence expenditures by 10.6%, bringing it to AUD 24.18 billion or 1.6% of GDP – the lowest level since the Korean War. Furthermore, Australia's procurement spending has dropped from around 17% of the total budget in 2011 to just 13% in 2012, which amplified heated political debates about the future trajectory of the Australian Defence Forces (ADF).

Whereas the 2009 DWP declared that the pace and scope of China's force modernisation has the potential to give its neighbours cause for concern, suggesting Beijing's lack of military transparency, the 2013 DWP notes that "Australia does not approach China as an adversary."

In other words, Canberra places greater emphasis on its soft power, trying to enhance its regional defence diplomacy defined by a common interest in avoiding conflict: "Australia welcomes China's rise...as a global

power, the increasing economic and strategic weight of East Asia.” As a result, in addition to the continuing strategic dialogues with China, Australia upgraded its bilateral relationship with China into “strategic partnership” during Prime Minister Julia Gillard’s visit to Beijing in April 2013.

Securing Indo-Pacific arc

This is not to say that Canberra is pulling back from its alliance with the United States. On the contrary, the 2013 DWP describes the alliance with the US as Australia’s “most important relationship.” In this context, Australia is aware of its growing geostrategic importance, particularly in backing the US strategic rebalancing policy toward Asia.

Indeed, Australia’s Northern Territory provides a staging area for ground, aerial, and naval operations for the US Marines. Furthermore, in 2014, Western Australia will also host a US ground-based space radar station and possibly new advanced satellite-watching telescope, which are a part of the US Space Surveillance Network designed for enhanced tracking of both civilian and military satellite launches in the region – including Chinese polar-orbiting reconnaissance satellites.

Notwithstanding Australia’s global commitments and security partnerships, the main focus of the revamped 2013 DWP is the strategic importance, security and prosperity of the “Indo-Pacific arc” - Australia’s immediate neighborhood shaped by the ascent of China, India, and Indonesia. In this context, Australia’s 2013 DWP reflects Canberra’s changing strategic narrative in defence policy as well as adjustments in the capability roadmap for Australia’s Defence Forces.

Strategic limitations

Inherently, the 2013 DWP accentuates Australia’s embrace of ‘smart power’ – a strategy that combines select elements of ‘hard power’ (military capabilities) with ‘soft power’ of attraction (defence diplomacy) designed to ensure Australia’s national security, while shaping strategic choices and foreign policy behaviour of Australia’s allies and regional neighbours – both the US and China.

However, this seemingly mutually constitutive hard-soft power relation has its limitations. Australia may not want to choose sides between the US and China, but the prevalent security challenges in East Asia - from unresolved historical legacies to emerging complex resource and territorial disputes, may force Australia toward sharper diplomatic and military responses.

With the upcoming Australian elections, the new government is likely to rewrite the Defence White Paper. Notwithstanding its outcome, ADF’s defence planning should focus on credible threats and devising strategy that builds on existing core competencies and lessons learned.

Alternatively, Australia’s ‘strategic adaptability’ may create operational uncertainties, particularly in terms of meeting future allied interoperability, contribution and involvement in potential regional crises.

Michael Raska is a Research Fellow at the Institute of Defence and Strategic Studies, a constituent unit of the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University in Singapore.