

Strategic Roles Beyond the Paramount Area: Asia Northeast and West

Rory Medcalf

This article defines the contours of some possible difficult decisions ahead for Australian security policy in regions beyond the South Pacific and Southeast Asia. With limited defence resources, and potentially limitless global interests, Australia will need to weigh relativities of risk and translate them into deployment decisions. Australia's military record and capabilities will increase expectations for deployments by the Australian Defence Force, although Australian Governments will typically retain a degree of discretion managing these. Beyond the neighbourhood, key regions of security concern for Australia will remain Northeast Asia and West Asia. Simultaneous contingencies in both regions could make conflicting demands on Australian assets; it would not be a simple allocation of land forces to West Asia and maritime to Northeast Asia. The most prominent low-probability/high-impact conflict scenario in Northeast Asia is likely to remain a US-China war over Taiwan. More likely, however, is a strategic shock on the Korean Peninsula, which might well entail expectations of an Australian response.

Australia's security interests, as the government's July 2007 *Defence Update* reminds us, are global.¹ They extend well beyond the defence of Australian territory and the stabilisation of our immediate neighbourhood, the 'arc of instability'² taking in East Timor and parts of the South Pacific. Any attempt at a comprehensive assessment of Australia's strategic environment will underline that the world of the early 21st century is a troubled place, with diverse dangers including Islamist terrorism, fragile states, pandemics, nuclear weapons, rising powers, new ways of war and the certainty of further surprises. Accordingly, as the government assures us, Australia is building a stronger and more flexible defence force, strategic partnerships and an even tighter US alliance to maximise our chances of coping with these myriad challenges.

This is all true and useful, as far as it goes. Future governments, however, would benefit also from greater attempts at discriminating and unconventional analyses—particularly assessments that go beyond providing a familiar checklist of woes and the accompanying inference that, when it comes to defence capabilities, we need a bit more of just about everything.

To be fair on the 2007 Update, it does accord a priority to Australian interests and the capacity to protect them in a geographic zone defined by

¹ Department of Defence, *Australia's National Security: A Defence Update 2007*, Canberra, Commonwealth of Australia, 2007, p. 13.

² Or, as suggested in a July 2007 Lowy Institute symposium, the 'Arc of Responsibility'.

proximity to Australian territory, an 'area of paramount defence interest', which includes the Indonesian archipelago and part of the South Pacific.³ In this region, Australia must be able to lead and to employ decisive force. A capability edge is required, and the Royal Australian Navy (RAN) must be able to operate freely. On the other hand, the document's judgments (and those of its predecessors, including the 2000 White Paper) about the circumstances in which Australia might deploy force further afield—in North or West Asia—are cleverly vague. As terms to describe the size and nature of military contributions, 'meaningful' and 'significant' can mean or signify many things. Their essential meaning, though, is that the government of the day reserves the right to decide what they mean depending on the scenarios it faces.

Risk and Discretion

Alongside statements of conventional thinking, Australian Governments in the years and decades ahead would benefit from reassessments of the regional and global strategic environment that go beyond the familiar constraints of either the global checklist or the neighbourhood-is-paramount approach. For example, in analysing potential dangers related to the struggle against terrorism and those that might arise from changing power balances in Northeast Asia, there is a need to consider creatively the ways in which these two very different sets of challenges might interact. The future encounter between a rising China and the Islamic world, for example, warrants close attention by Western governments.⁴

Furthermore, when translating analysis into policy and capability questions, there is a need to keep revisiting two fundamental anomalies facing Australian policy-makers and defence planners. First, the extent of the nation's global interests, and the range of possible threats to them, is much greater than our capability—at least when unaided—to protect them. Indeed, interests and threats are likely to continue to grow at a faster rate than national capabilities to protect or respond. Second, the most expensive elements of our defence posture are aimed at retaining a capability edge in a region where there is no foreseeable direct threat of conventional military attack on Australian territory. The most costly defence acquisitions are the ones least likely to be needed.

Neither of these anomalies means that the direction the government has taken in expanding Australia's military strength is necessarily misguided. The government rightly highlights the need for flexibility: we simply cannot

³ Department of Defence, *op. cit.* pp. 26-27.

⁴ The interaction or simultaneity of multiple future threats is a focus of recent futures analysis commissioned by the UK Ministry of Defence, the Future Strategic Context project led by Rear Admiral Chris Parry. Media reports suggest this has identified the collision of China and Islamic radicalism as among previously underestimated factors in the future strategic environment. 'Revolution, flashmobs and brain chips: a grim vision of the future', *The Guardian*, 9 April 2007.

afford massive defence investments designed for one purpose alone, such as territorial defence or counter-insurgency. The Opposition's apparent acceptance of many of the recent spending decisions—including the selection of air warfare destroyers (AWDs) and very large 'strategic projection' transport ships—suggests that Labor recognises the great difficulty of rational defence planning in this age of strategic uncertainty, whatever its accusations about government policy's 'lack of coherence'.⁵ Yet flexibility has its limits. The government's declared awareness of the overriding importance of flexible forces is not entirely consistent with the limited utility of, say, AWDs suited primarily for high-intensity maritime conflict between states. At the same time, no amount of increase in defence or wider security spending will be sufficient to cover all possible dangers or scenarios. Even with greatly expanded capabilities, Australia will constantly face the prospect of attempting to do much with not enough.

In the end, both of the identified strategic contradictions bedeviling Australia—the mismatch among interests, threats and capability and the paradox of wanting a capability edge in a less-than-hostile region—suggest the need for more effort to assess relative risk and to translate that analysis into more conscious risk management in national security thinking. As Paul Monk puts it, the challenge is to integrate and reconcile 'the relative probabilities, as well as the relative gravities, of various possible future courses of events'.⁶ Not all interests can be defended to the same degree. Given finite national security resources, no country can expect absolute security in an increasingly complex and interdependent world of myriad threats and contingencies. Suggestions that something approaching assured security is possible through the right combination of defence spending, force structure and strategic partnerships, as some of the political rhetoric at the launch of the *2007 Defence Update* might be read as implying,⁷ avoid this central issue and court disappointment.

Official pronouncements tend to underplay the discretion Australian Governments have in how they structure and deploy their security capabilities. Even in an unstable neighbourhood, few circumstances necessarily call for a military response. In deciding to act, many considerations are in play: the purpose of the mission, the capabilities

⁵ Leader of the Opposition Kevin Rudd, 'Fresh ideas for future challenges: National security policy under a Labor Government', Address to ASPI, Parliament House, Canberra, 8 August 2007, speech transcript at <www.aspi.org.au/admin/eventFiles/FEDERAL%20LABOR%20LEADER%20ADDRESS.pdf> [Accessed 12 August 2007] ("... we are committed to the forward outlays of the government ... [but] Under this government, capability development decisions have been characterised by a lack of coherence.")

⁶ Paul Monk, 'The evidence is all around us!', *Australian Financial Review*, 22 September 2006, Review section, page 1.

⁷ Prime Minister John Howard, Address to the ASPI Global Forces 2007 Conference, Hyatt Hotel, Canberra, 5 July 2007, speech transcript at <www.pm.gov.au/media/Speech/2007/Speech24415.cfm> [Accessed 6 August 2007] ("... every expectation that Australians can face our strategic future with great confidence".)

available, the likelihood of success, the consent or otherwise of the state/s in question, humanitarian impulses, Australian domestic politics, and the expectations of others (the region, the global community and not least the US). All Australian deployments other than the immediate defence of national territory are to some degree wars of discretion. Admittedly, some extreme circumstances would entail alliance expectations that drastically squeeze the room for discretion. Nonetheless, the following formulation by the Prime Minister presents less than the full picture of national freedom of manoeuvre in security decision-making:

Our intelligence community assesses that Australia is most likely to be called on to take the lead in a range of possible missions in our immediate region. These include humanitarian relief and stabilisation tasks, and potentially evacuations and support for counter-terrorist operations.⁸

The agencies may assess that to be the case, but it is not clear who in each case will do the 'calling' (fragile island states, ASEAN states, the US, the UN?). Such a position underplays how much discretion Australia retains as to how to or whether to respond; in each case, the ultimate decision will be a political one made in Canberra. It lends a false air of inevitability to our own prospective future decisions. Any debate positing a clear-cut difference between deployments of necessity and deployments of choice is likely to be a false and unproductive one, and open to political misuse on all sides: this applies equally to apparent efforts by the Opposition in recent years to suggest that deployments closer to Australia are automatically more necessary than those further afield.

Nor does the 'likely to be called on' line pay due acknowledgement to the role played by Australia's own record of interventions in shaping others' expectations. Furthermore, it is quite possible that recent force structure decisions, and the very nature and potential of the expeditionary capabilities Australia is acquiring, will influence the expectations on Australia to contribute to, or indeed lead, particular operations, regionally or globally. Many of the major acquisition decisions that will shape Australia's defence posture well into the century have recently been or soon will be made: AWDs, amphibious ships, Abrams tanks, C-17 heavy lift aircraft and the F-35 Joint Strike Fighter (on which a final decision is due next year). The most interesting defence-related decisions by the next few Australian Governments are unlikely to be about what to acquire and will instead focus on when, why and how to use it.

Surveying an Uncertain Global Landscape

The value of seeing much of Australia's security future through the two lenses identified so far—conscious risk management and the generally discretionary nature of deployments—becomes clear in any attempt to

⁸ Ibid.

survey the daunting scope of the strategic environment: the geographical breadth and thematic multiplicity of the challenges and threat scenarios that could confront the country and its interests in the decades ahead. There is not scope here to do justice to all the possible security challenges Australia may face, the ways they might interact with each other and the responses Australia may have to consider. (For instance, terrorism in Southeast Asia will stay a priority concern for Australia, but one which policing, intelligence and diplomatic resources will be better placed to address than the ADF.) This paper will provide a sense of globalisation's impacts on Australia's security environment before dwelling briefly on key regions of interest and some possible decisions future Australian Governments may have to face regarding ADF deployments to them.

The currents of momentous change in the world will be overlaid with substantial elements of continuity, at least for the next few decades. Much will remain familiar for the foreseeable future, including the importance of state-to-state relations, the role of conventional military power, and the dominance of the United States. In preparing for the possible security challenges of a vastly changed world towards the middle of the century, Australia will also need to remain responsive to the challenges, opportunities and constraints of the world as it is.

Nonetheless, in the decades ahead, profound change in Australia's strategic environment is certain. It is set to play out in technology, in population growth, in environmental pressures, in the shift of the global economic centre of gravity to Asia, in the continuing rise of non-state forces and eventually in a reordering of the relative power among states. These currents of change will be punctuated by strategic shocks. Given the world system's complexity, many of these strategic discontinuities will have cascading effects which will be extremely difficult to trace or measure, and often impossible to predict.

The world will in many ways continue to become more interconnected, with complicated and mixed consequences for human and national security. Transfers of goods, money, knowledge and labour across borders will keep multiplying and deepening. This benefits many states and large parts of their populations with increased economic efficiency and growth. The deepening of economic and social interdependence has another positive security side-effect: it increases the already deep aversion held by many states to the prospect of international war. Yet globalisation also aggravates some security problems. Its disruptions arouse grievances for extremists to exploit. The transparency that instantaneous global media brings can add to resentment at glaring economic disparities. Communications technology lends a potent propaganda and logistical lever to small groups of extremists, and the vulnerabilities of an interconnected world—including the high levels of trust it requires to function effectively at a social level—provide them with opportunities to inflict disproportionate violence and havoc.

In a globally connected world, the effects of security problems can be felt far from their places of origin. Australia's strategic 'environment', therefore, cannot be defined simply or even primarily as the country's immediate neighbourhood of Southeast Asia and the South Pacific. It has a wider regional character, reaching across East Asia—not least because a wealthy and stable Northeast Asia is vital to the Australian economy. It also has a worldwide dimension, given the many global developments, trends or shocks that could have direct and negative consequences for Australia and its people.

Looking West to Asia

Australia will not, however, be in a position to treat each distant region or its problems as in any way equal in their importance to its national interests or its own scope to make a difference. The region most relevant to Australia's security interests, in addition to the South Pacific and East Asia, will very likely remain West Asia: what is typically understood as the Middle East, but encompassing also Afghanistan, Pakistan and parts of North Africa.⁹ The government is right in asserting that expectations will continue for Australia to keep playing a direct military role in the security of parts of West Asia.¹⁰ This is the region where, after all, the currents of terrorism, state fragility, energy security, democratisation, demographic pressures and nuclear proliferation meet.¹¹

A principal challenge facing the next Australian Government will be what to do about the nation's military commitments to Iraq and Afghanistan. Since these were US-initiated actions, and since any other military coalitions in West Asia which might conceivably include Australia would also be US-led, the future expectations on the ADF in the region will have much to do with US and wider Western thinking about the utility of force.

Iraq has dulled any US appetite for new conflicts of the invading and nation-building or otherwise open-ended variety, but not for the use of force to pursue national interests: if there is an 'Iraq syndrome' it is only a partial one.¹² As for the rest of the West, the picture is mixed, but among many US partners in Europe there is an aversion to new military commitments (or indeed sustaining current ones) and generally a low threshold beyond which tactical-scale casualties fast become a strategic issue and a reason to consider withdrawal. It will be even harder after Iraq for the US to cobble

⁹ This definition of West Asia has been adopted by the Lowy Institute's West Asia Program on the logic that this is a coherent region defined by major common challenges, especially relating to Islam, energy security and democratisation. Anthony Bubalo, *Reinventing West Asia*, Lowy Institute Policy Brief, February 2007.

¹⁰ Prime Minister John Howard, *op. cit.*

¹¹ Peter Varghese, Director-General of ONA, 'Australia's Strategic Outlook: A Longer-Term View', speech to the Australian Strategic Policy Institute, 28 June 2006. <www.ona.gov.au/news.htm>.

¹² Ronald Steel 'An Iraq syndrome?', *Survival*, vol. 49, no. 1 (2007), pp. 158-160.

together 'coalitions of the willing'. Washington's expectations of Canberra will endure, and probably rise further, partly because some other allies and partners are less likely after Iraq to join US-led coalitions. Pressure may build on Australia to do more to share daily risk on a large scale.

Australian ground force commitments to Afghanistan are likely to continue for as long as the US and NATO have a presence there. The fight for a stable, more developed and relatively democratic Afghanistan, where the Taliban does not return to power and where international Islamist terrorist groups do not regain safe havens, will in all probability remain a bipartisan priority in Australia. At the time of writing, it remained to be seen, however, how Australia would respond to substantial casualties, for instance approaching the scale of those suffered by the UK and Canada.¹³ An ongoing Australian role in Iraq, meanwhile, is less certain, and will depend on the direction of US policy, the discretion of the next Australian Government and emerging trends regarding Iraq's (in)security and (in)stability. The Australian public would be more sensitive to combat casualties in Iraq than in Afghanistan.

Finally, Australian Governments will need to be mindful of the possibility of Washington's seeking Australian military involvement in new theatres associated with the 'global war on terror', especially in the event of another large-scale terrorist attack in the US. These possible new coalition operations could vary wildly, from those where blows against jihadist forces might easily be struck (such as airstrikes in Somalia) to the opening of major new fronts where military action could have profound and dangerous wider consequences (Iran and Waziristan). The extent of Australian commitments elsewhere at such a time would assist in managing those expectations. Australian involvement in new US-led military campaigns would depend on many factors, including: the immediate reasons for action (taking into account that, after Iraq, much of the Australian public and polity will treat intelligence-based assertions about WMD with great scepticism); the presence, or absence, of other US allies in the coalition; and the availability of suitably limited roles for Australia to fill. Some Australian military roles in, say, an Iran crisis would be much more conceivable than others: for instance, escorting oil tankers as opposed to contributing air sorties.

Prospective Australian deployments to West Asia should not be imagined solely as ground-force contributions and associated logistics. Continuing Australian participation in coalition maritime operations in the Persian Gulf or the Arabian Sea can be expected. These circumstances might relate to ongoing Iraq and Afghanistan commitments, to intensified diplomatic and economic pressure on Iran over its uranium enrichment activities, to energy security and proliferation interdiction concerns, or to some combination of

¹³ By early August 2007, Canada had sustained 66 casualties in Afghanistan, the UK 68 and Australia 1. <www.icasualties.org/oef/>.

the above. Defence Minister Brendan Nelson's supposed 'war for oil' remarks (in which media reports distorted his comments about Australian forces protecting an Iraqi oil installation) may prove more pertinent than many would expect. To the extent that Australia's maritime role in West Asia endures and expands, there will be pressure on other prospective or continuing missions by the RAN and its relatively small (and not increasing) number of combatant ships, including in East Asia.

Northeast Asia

Australia has profound stakes in a stable and prosperous East Asia. The trade on which our economic health and our resources boom depend is concentrated in Northeast Asia: China, Japan and South Korea. In this sense, the security and economic growth of these powers is tied closely to Australia's interests. It will be hardly surprising, therefore, that attempting to address or take account of that region's security problems will remain a critical foreign and defence policy priority for Australian Governments. Australia will want to sustain and in some areas strengthen US engagement, including a robust military presence and extended nuclear deterrence, as well as deepening its own strategic dialogues with key players.

It is fair to assume also that Australian defence planners do not exclude Northeast Asian contingencies from maritime force structure decisions, although there are unlikely ever to be any illusions in Canberra that Australia would play a primary role in affecting the course and outcome of any military action in that region.¹⁴ Australia's defence capabilities with regard to the strategic environment of Northeast Asia will never approach the extent of the nation's interests there. This may seem an obvious point, but it warrants emphasising given the possibility that some players—notably Japan—may one day begin to overestimate Australia's military weight and potential as a security partner.

Measured in terms of probability and potential impact, the risk of security crises in Northeast Asia will remain of major concern to Australian Governments. This region is marked by multiple characteristics, developments and trends that will make the task of managing stability and averting security confrontation increasingly difficult in the decades ahead.

HOT SPOTS: TAIWAN AND KOREA

The most prominent areas of security risk in Northeast Asia continue to be the Taiwan Strait and the Korean Peninsula. The worrisome security

¹⁴ The 2007 Defence Update is suitably coy: "Further afield, Australia cannot expect to predominate as a military power nor ordinarily would it act alone. Australia will work to create a benign regional security environment and pursue our national interests in conjunction with allies and friends. Australia will aim to make significant ADF contributions to coalition operations where our national interests are closely engaged". Department of Defence, *op. cit.*, p. 27.

scenarios for both potential 'trouble spots' are more complex and manifold than popularly perceived.

Regarding *Taiwan*, China appears to be in no rush to precipitate conflict, despite an intimidating military build-up in the past decade. After all, China has an overriding need for a peaceful and prosperous region to maximise chances for its own enormous task of economic development, on which the power of the Communist Party, the welfare of the Chinese people and prospects for China's future 'greatness' depend. The dangers regarding Taiwan are related more to the possibility of Taipei's moving closer to a declared state of independence, not necessarily in one step but perhaps through a series of symbolic and practical measures that at some point cross a threshold, wittingly or not, which is unacceptable to Beijing and to the credibility of the Chinese leadership and of the Communist party. Taiwan's four-yearly elections (the next are in 2008) pose particular friction points: for one side in Taiwan's domestic political divide, the politics of Taiwanese identity is as electorally useful as it is diplomatically explosive to Beijing. Although the need for a successful 2008 Beijing Olympics will add to the pressures for Chinese restraint in the face of any potential diplomatic provocation, the possibility remains real in the decades ahead that China will at some stage act on its threats to use force to forestall or immediately reverse a shift towards *de jure* Taiwanese independence.

Such use of force could take many forms, including missile strikes, blockade, seizure of outlying islands or, in the most extreme case, large-scale amphibious and airborne assault.¹⁵ In any of these contingencies, US military intervention would almost certainly ensue. The nature of the US-Japan alliance, including basing of US forces in Japan, as well as Japan's own stated interest in the security of the Taiwan Strait¹⁶ suggest that Tokyo could very well find itself involved as well. Many other countries in the region would be desperate to avoid taking sides, at least in a military sense. The Australian Government of the day would be under intense pressure from the US to contribute forces, as remarks by former US official Richard Armitage attest.¹⁷

Despite some apparently ambiguous public comments by Foreign Minister Alexander Downer, suggesting that Australia's response would not be

¹⁵ Office of the Secretary of Defense, *Annual Report to Congress: Military Power of the People's Republic of China 2007*, Washington DC, Department of Defense, 2007, pp. 32-34.

¹⁶ Japan-US Security Consultative Committee (2+2 Meeting), February 2005 Joint Statement, <www.mofa.go.jp/region/n-america/us/security/scc/index.html>.

¹⁷ Richard Armitage reportedly told the Australian American Leadership Dialogue in August 1999 that the US would expect Australia to provide meaningful military support to the US in a Taiwan crisis, carrying out 'dirty, hard and dangerous' work. Allan Behm, *Submission to JSCFADT Inquiry in the Economic, Social and Strategic Trends in Australia's Region and the Consequences for our Defence Requirements*, Canberra, Parliament of Australia, 2006, p. 18.

automatic,¹⁸ it is difficult to conceive that Australia would not in some way proceed to meet this expectation. In terms of the US alliance, no amount of Australian involvement in US-led coalitions in other theatres, or of Australia's leading in the security of its own neighbourhood, would compensate. All the same, Australia's decision on how to respond to Washington's prospective call to arms over Taiwan would be the most acute and wrenching moment for Australian foreign and security policy currently imaginable. Regardless of any immediate outcome of such a conflict, the wider region and its relations with the US and with China would be irrevocably and utterly changed.

A secondary consideration would be the nature of an Australian military contribution: what would we deliver that might be useful in what could well become a high-intensity maritime conflict? Australia's anticipated ongoing commitments to Afghanistan, the Middle East and stabilisation in the South Pacific would be unlikely to be on such a scale or of such a nature that Canberra could somehow decline to commit naval or air assets to a Taiwan campaign on the grounds that the ADF was already stretched elsewhere. At the same time, without deploying and directly endangering a large proportion of the country's future naval and air strength, Australia would seem unlikely to be able to have much practical effect on the outcome of the conflict. For reasons of perspective, it is worth emphasising that a war over Taiwan, in any form and whatever its proximate cause, remains unlikely. Australian Governments in the years ahead will be well-advised to devote sustained diplomatic energies to ensuring this by maintaining the cross-strait status quo. Much thought will need to be given also, however, to how to handle the worst case scenario: wishful thinking is not a policy.¹⁹

In the years ahead, the risk of a destabilising strategic discontinuity on the *Korean Peninsula* is greater than that of a war or military confrontation over Taiwan. As noted publicly by the head of Australia's peak strategic and intelligence analysis agency:

A high-intensity war in Korea is a very small likelihood. But other worrisome scenarios are more likely. Though the North Korean regime has proven surprisingly resilient, we can't rule out its collapse—a possibility that would unpredictably change North Asia's strategic equilibrium. There would be pressure for an international stabilisation effort.²⁰

¹⁸ In response to a question from a journalist at a press conference in Beijing in August 2004, regarding how Australia's alliance obligations might play out in a Taiwan confrontation, Mr Downer said: "Well, the ANZUS Treaty is a treaty which of course is symbolic of the Australian alliance relationship with United States, but the ANZUS Treaty is invoked in the event of one of our two countries, Australia or the United States, being attacked. So some other military activity elsewhere in the world, be it in Iraq or anywhere else for that matter does not automatically invoke the ANZUS Treaty".

¹⁹ A point developed in Behm, *op.cit.*, pp. 18-19.

²⁰ Peter Varghese, *op. cit.* p. 11.

For decades, the South Korean military and forward-deployed US forces have been obliged to plan for a nightmare scenario: a massive bombardment and onslaught from North Korean forces across the Demilitarized Zone, essentially the resumption of the Korean War, perhaps with chemical, biological and nuclear weapons thrown in. Increasingly, however, this is seen as the least likely of a number of potential strategic discontinuities facing the Korean Peninsula. Considerably more likely is the possibility of regime collapse and civil strife in North Korea, perhaps once 'Dear Leader' Kim Jong-Il dies, given the great uncertainty over who would succeed him.²¹

The fall of the regime in North Korea could well amount to state collapse, which in turn would confront the region with parallel security, geopolitical and humanitarian challenges. Although South Korea in co-ordination with the US would likely take the lead in seeking to stabilise North Korean territory, the role and interests of China would also be quickly and deeply engaged. The upheaval of reunification would severely test US-China relations. Ensuring the security of any North Korea nuclear weapons, fissile material and nuclear facilities would be another major complication. A potential international stabilisation effort would need to be very large and it is difficult to see how Australia's interests would not be engaged.

This is one turn of events in Northeast Asia where Australia might well be called upon, so to speak, to provide a military contribution, including in logistics, rapid aid provision and possibly ground forces for stabilisation roles. It is also, accordingly, one conceivable situation in Northeast Asia which might cut across other Australian ground deployments at the time, presumably ongoing deployments in the South Pacific and quite possibly in theatres in West Asia related to the long campaign against terrorism. Even if only for these reasons, future Australian Governments will wish not to neglect defence ties with and avenues of communication into South Korea.

POWER RIVALRIES: THE US-CHINA-JAPAN TRIANGLE

The dangers inherent in the Taiwan and Korea situations cannot be understood, however, in isolation from trends in the US-China-Japan strategic triangle. Bilateral relations, including power rivalry, between China and the US and between China and Japan carry their own risks, which future Australian Governments will need to monitor closely. In short, relations among the three powers are moving into uncharted waters. China and Japan are both powerful at the same time, an unprecedented situation. In China, the US has a vital stake in a rising power's growth. Japan-US defence ties are becoming closer.²² All three are grappling with these changing realities, and their resolution is far from clear.

²¹ Robert Kaplan 'When North Korea falls', *The Atlantic Monthly*, October 2006.

²² These points are made also in Varghese, *op. cit.*, p. 11.

Both China and Japan are trying to increase their influence as leaders in the region. Since the turn of the century, China has made substantial progress in strengthening ties and diplomatic clout throughout East Asia, as well as globally, including through multilateral forums such as ASEAN+3. Japan has belatedly risen to this perceived challenge. For instance, Japan's recent push for an 'arc of freedom and prosperity'—with a major role envisioned for key democracies Japan, the US, Australia and India—suggests a deliberate China-balancing dimension to Japanese diplomacy. The legacy of history between the two powers remains bitter, and sometimes seems cultivated to remain so, even if tensions related to the Yasukuni Shrine and museum have eased slightly. There are unresolved differences over maritime boundaries and undersea energy deposits in the East China Sea. Each power is concerned at the other's changing military posture and capabilities. Japan sees China's rapid military modernisation, including in naval and missile forces; China sees a more assertive Japanese defence policy and a thickening of the Japan-US alliance, including in missile defence.²³

Although the two powers are enmeshed by massive trade and investment ties, and their leaderships appear generally astute in keeping tensions under control, the possibility remains that nationalist sentiment could fan misadventure, such as a naval confrontation in disputed waters. There may be need in the decades ahead for an Australian Government to play its part in managing tensions between the two East Asian giants. As Canberra's strategic dialogues with the two powers mature, the scope for Australia to have some moderating influence, however slight, will grow. This is particularly so with regard to Japan, where the recently established foreign and defence ministers' '2+2' forum carries promise.²⁴ The prospect of Australia's becoming directly involved in a military sense in supporting Japan in some sort of China-Japan confrontation remains extremely difficult to envisage. It is considerably less fanciful to imagine Australian diplomacy and counsel being applied (presumably alongside Washington's) to assist Japan in extricating itself peacefully from any such trouble.

Conclusion

This article has sought to define briefly the contours of some prospective difficult decisions that lie ahead for Australian security policy in regions beyond the 'neighbourhood'. These decisions generally will pertain to the potential deployment of defence capabilities rather than their acquisition. A few generalisations can be ventured. Governments will have a higher degree of discretion as to whether and in what form they might make defence deployments than the public pronouncements of the current government suggest. With limited defence resources, and potentially

²³ Wu Xinbo, 'The end of the silver lining: A Chinese view of the US-Japan alliance', *Washington Quarterly*, vol. 29, no. 1 (2005-06), p. 122.

²⁴ Rory Medcalf, 'The Changing Asia-Pacific Security Web', *The Age*, 16 March 2007, p. 15.

limitless global interests, Australia will need to refine its ability to assess relativities of risk—the likelihood and impact of threats, and the benefits from confronting them—and to translate that into deployment decision-making. Improvements to expeditionary capabilities, and the track record of skilfully handled deployments in the past decade, will add to expectations on the ADF, expectations that future Australian Governments will have to find ways of managing.

Beyond the Arc, the key regions of security concern for Australia will be Northeast Asia and West Asia. Simultaneous contingencies in both regions could make conflicting demands on Australian assets; it would not be a simple matter of allocating land forces to West Asia and maritime forces to North Asia. In West Asia, ground force commitments to Afghanistan can be expected to continue; a role in Iraq is less certain, and will depend on the direction of US policy and the discretionary choices of the next Australian Government. Continuing participation in coalition maritime operations in the Persian Gulf or the Arabian Sea, whether in relation to Iraq, Afghanistan, energy security or proliferation concerns, can also be expected.

In Northeast Asia, the most obvious low-probability/high-impact conflict scenario, with massive ramifications for Australia, is likely to remain a US-China war over Taiwan. The argument of being busy elsewhere would have scant currency in handling alliance expectations of an Australian maritime role in that situation. More likely, however, is the prospect of a strategic shock on the Korean Peninsula which might well entail international stabilisation operations and expectations of an Australian role. This is the one realistic circumstance in Northeast Asia where Australian land forces—otherwise focused on stabilisation, humanitarian and counter-insurgency work in the Arc or in West Asia—might be expected to play a considerable role. In sum, future Australian Governments will have recurring difficulty in usefully allocating Australian defence and other assets in accordance with the nation's global interests, and the need to exercise a large measure of discretion and expectation-management can be anticipated.

Rory Medcalf is the International Security Program Director at the Lowy Institute for International Policy. He has worked in intelligence analysis, diplomacy and journalism. From 2003 to March 2007, he was a senior strategic analyst with the Office of National Assessments (ONA). From 1996 to 2003, he served in the Department of Foreign Affairs and Trade. This included a posting to New Delhi, a secondment to the Japanese foreign ministry, truce monitoring in Bougainville, policy development on the ASEAN Regional Forum, and extensive work on non-proliferation, including assisting the 1996 Canberra Commission and the 1999 Tokyo Forum. Mr Medcalf's earlier work as a journalist was highly commended in Australia's leading media awards, the Walkleys (1991). He has an Honours degree in political science and a University Medal from the University of Queensland. rmedcalf@lowyinstitute.org.