

AUSTRALIA'S STRATEGIC CULTURE *and Asia's Changing Regional Order*

By Nick Bisley



NBR Board of Directors

Charles W. Brady
(Chairman)
Chairman Emeritus
Invesco LLC

John V. Rindlaub
(Vice Chairman and Treasurer)
President, Asia Pacific
Wells Fargo

George F. Russell Jr.
(Chairman Emeritus)
Chairman Emeritus
Russell Investments

Dennis Blair
Chairman
Sasakawa Peace Foundation USA
U.S. Navy (Ret.)

Maria Livanos Cattau
Secretary General (Ret.)
International Chamber of Commerce

William M. Colton
Vice President
Corporate Strategic Planning
Exxon Mobil Corporation

George Davidson
Vice Chairman, M&A, Asia-Pacific
HSBC Holdings plc (Ret.)

Norman D. Dicks
Senior Policy Advisor
Van Ness Feldman LLP

Richard J. Ellings
President
NBR

Ryo Kubota
Chairman, President, and CEO
Acucela Inc.

Quentin W. Kuhrau
Chief Executive Officer
Unico Properties LLC

Melody Meyer
President
Melody Meyer Energy LLC

Joseph M. Naylor
Vice President of Policy, Government
and Public Affairs
Chevron Corporation

C. Michael Petters
President and Chief Executive Officer
Huntington Ingalls Industries, Inc.

Kenneth B. Pyle
Professor; Founding President
University of Washington; NBR

Jonathan Roberts
Founder and Partner
Ignition Partners

Tom Robertson
Vice President and
Deputy General Counsel
Microsoft Corporation

Gordon Smith
Chief Operating Officer
Exact Staff, Inc.

Scott Stoll
Partner
Ernst & Young LLP

David K.Y. Tang
Managing Partner, Asia
K&L Gates LLP

Honorary Directors

Lawrence W. Clarkson
Senior Vice President
The Boeing Company (Ret.)

Thomas E. Fisher
Senior Vice President
Unocal Corporation (Ret.)

Joachim Kempin
Senior Vice President
Microsoft Corporation (Ret.)

Clark S. Kinlin
President and Chief Executive Officer
Corning Cable Systems
Corning Incorporated

NBR Counselors

Norman D. Dicks
U.S. House of Representatives (Ret.)

Thomas B. Fargo
U.S. Navy (Ret.)

Slade Gorton
U.S. Senate (Ret.)

Joseph Lieberman
U.S. Senate (Ret.)

NBR Chairman's Council and Board of Advisors

Michael Armacost
Stanford University

Richard Cody
L-3 Communications, Inc.

Nicholas Eberstadt
American Enterprise Institute

Karl Eikenberry
Stanford University

Donald Emmerson
Stanford University

Rebecca Fraser
Qualcomm, Inc.

Aaron Friedberg
Princeton University

Robert Gilpin
Princeton University

Lee Hamilton
Indiana University

Stephen Hanson
College of William and Mary

Harry Harding
University of Virginia

Donald Hellmann
University of Washington

Robert J. Herbold
The Herbold Group, LLC

Carla A. Hills
Hills & Company

Robert D. Hormats
Kissinger Associates, Inc.

Shinichiro Kawazoe
Mitsubishi Corporation

David Lampton
Johns Hopkins University

Nicholas Lardy
Peterson Institute for International
Economics

Richard Lawless
New Magellan Ventures

Chae-Jin Lee
Claremont McKenna College

Kenneth Lieberthal
Brookings Institution

William J. Lynn, III
DRS Technologies, Inc.

Rajan Menon
City College of New York

Mary Minnick
Lion Capital

Sam Nunn
Nuclear Threat Initiative

Joseph S. Nye Jr.
Harvard University

Stanley Palmer
Marvin & Palmer Associates, Inc.

Dwight Perkins
Harvard University

Thomas Pickering
The Boeing Company (Ret.)

Clarine Nardi Riddle
Kasowitz, Benson, Torres
& Friedman LLP

Stanley Roth
The Boeing Company

Sheldon Simon
Arizona State University

Ashley Tellis
Carnegie Endowment for
International Peace

John White
Harvard University

THE NATIONAL BUREAU *of* ASIAN RESEARCH
NBR SPECIAL REPORT #60 | DECEMBER 2016

**AUSTRALIA'S
STRATEGIC CULTURE**
and Asia's Changing Regional Order

Nick Bisley

A report from

THE STRATEGIC ASIA PROGRAM

THE NATIONAL BUREAU *of* ASIAN RESEARCH

The NBR *Special Report* provides access to current research on special topics conducted by the world's leading experts in Asian affairs. The views expressed in these reports are those of the authors and do not necessarily reflect the views of other NBR research associates or institutions that support NBR.

The National Bureau of Asian Research is a nonprofit, nonpartisan research institution dedicated to informing and strengthening policy. NBR conducts advanced independent research on strategic, political, economic, globalization, health, and energy issues affecting U.S. relations with Asia. Drawing upon an extensive network of the world's leading specialists and leveraging the latest technology, NBR bridges the academic, business, and policy arenas. The institution disseminates its research through briefings, publications, conferences, Congressional testimony, and email forums, and by collaborating with leading institutions worldwide. NBR also provides exceptional internship opportunities to graduate and undergraduate students for the purpose of attracting and training the next generation of Asia specialists. NBR was started in 1989 with a major grant from the Henry M. Jackson Foundation.

Funding for NBR's research and publications comes from foundations, corporations, individuals, the U.S. government, and from NBR itself. NBR does not conduct proprietary or classified research. The organization undertakes contract work for government and private-sector organizations only when NBR can maintain the right to publish findings from such work.

To download issues of the NBR *Special Report*, please visit the NBR website <http://www.nbr.org>.

This report may be reproduced for personal use. Otherwise, the NBR *Special Report* may not be reproduced in full without the written permission of NBR. When information from NBR publications is cited or quoted, please cite the author and The National Bureau of Asian Research.

This is the sixtieth NBR *Special Report*.

NBR is a tax-exempt, nonprofit corporation under I.R.C. Sec. 501(c)(3), qualified to receive tax-exempt contributions.

© 2016 by The National Bureau of Asian Research.

Front cover image: ANZAC Day army rifle, slouch hat, badge, dogtags, Australian flag © Jimbo_Cymru/istockphoto.com.

For further information about NBR, contact:

The National Bureau of Asian Research
1414 NE 42nd Street, Suite 300
Seattle, Washington 98105

206-632-7370 Phone
206-632-7487 Fax
nbr@nbr.org E-mail
<http://www.nbr.org>

— FOREWORD —

The 2016–17 edition in the National Bureau of Asian Research’s *Strategic Asia* series, *Understanding Strategic Cultures in the Asia-Pacific*, is the second in a three-volume project to assess the nature of geopolitical competition in the Asia-Pacific. Last year’s volume examined the resources available to a range of major powers in the region and the ability of each country’s political system to convert those resources into military and diplomatic power. The 2016–17 volume builds on the first, examining the same seven states in order to better understand how each country’s distinctive strategic culture affects its pursuit of strategic objectives and national power.

In this NBR Special Report, which supplements this year’s *Strategic Asia* volume, Nick Bisley examines the strategic culture of Australia and its implications for U.S. policy. He argues that Australian strategic culture is characterized by the interplay of anxiety and dependence. Although occupying a remote, naturally defensible continent and possessing a highly proficient military force, Australia has a deep-seated insecurity about its place in the world. One dimension of this anxiety is the widely accepted sense that the nation is unable to defend its core interests alone and is dependent on the assistance of other countries, namely, its ally the United States. Another dimension is the awareness that Australia’s prosperity depends on an international order “to whose defense it can, at best, contribute marginally.”

As a result of this sense of vulnerability, military power is a dominant component of Australian statecraft. This identity coalesced in the trenches of World War I, particularly during the Gallipoli campaign, and continues today. Yet even as public support for the military remains strong, emerging trends suggest a growing rift between Australia’s strategic elite and the public. While high defense budgets are still readily accepted, actual combat losses have become less tolerable. In addition, Asia’s, and specifically China’s, growing economic power has caused a growing divergence of opinion between national security strategists and business leaders. Bisley observes that these developments in Australian strategic culture could pose challenges to the long-standing U.S.-Australia relationship, and he concludes by identifying several options for U.S. and Australian policymakers to strengthen the alliance.

Alison Szalwinski and Michael Wills
The National Bureau of Asian Research

THE NATIONAL BUREAU *of* ASIAN RESEARCH

NBR SPECIAL REPORT #60 | DECEMBER 2016

Australia's Strategic Culture and Asia's Changing Regional Order

Nick Bisley

NICK BISLEY is Executive Director of La Trobe Asia and Professor of International Relations at La Trobe University in Australia, where his research focuses on Asia's international relations, great-power politics, and Australian foreign and defense policy. He is also editor-in-chief of the *Australian Journal of International Affairs*, a director of the Australian Institute of International Affairs, and a member of the Council for Security and Cooperation in the Asia-Pacific. Dr. Bisley is the author of many works on international relations, including *Issues in 21st Century World Politics* (2016), *Great Powers in the Changing International Order* (2012), and *Building Asia's Security* (2009). He regularly contributes to and is quoted in national and international media, including the *Guardian*, the *Economist*, and *Bloomberg*. Dr. Bisley received his PhD from the London School of Economics and can be reached at <n.bisley@latrobe.edu.au>.

EXECUTIVE SUMMARY

This report examines the mix of anxiety and dependence that drives Australian strategic culture and assesses how it shapes Australian policy.

MAIN ARGUMENT

Military power plays a central role in Australia's international policy. Even though the country has excellent natural defenses and faces no meaningful geopolitical threat now or in the foreseeable future, support for this position remains strong across the political divide and among the public. As a thinly populated island-continent first established as an outpost of imperial Britain, Australia has a deep sense of vulnerability in its strategic outlook. The strategic culture is shaped by the interplay of anxiety and dependence. Australia has a highly capable military force that is able to defend core interests as well as serve as a means to ensure the support of its ally, the United States, given the perceived vulnerabilities of a country unable to defend its core interests alone. Yet although support for current strategic policy is solid, the narrowness of the strategic policy elite, along with shifts in public opinion, gaps opening up between business interests and security policy, and political disinterest in strategic policy, means that Australian strategic policy cannot be assumed to remain as it is indefinitely.

POLICY IMPLICATIONS

- Given that Australia is a dependable ally with core interests tied up in maintaining the existing strategic balance, the United States can make more political and diplomatic use of the country to help buttress the political foundations of the current order in the face of China's challenge. This could include working to improve the capacity of structures like the East Asia Summit and the ASEAN Defence Ministers' Meeting-Plus to support this order.
- Anxiety plays an important role in Australian strategic policy and provides an opportunity for U.S. policymakers to change their calculus when negotiating alliance commitments.
- Emerging trends pose some challenges to the long-term continuity of current approaches. The most important of these are shifts in public opinion and the division between business interests and security policy in relation to China. U.S. policymakers should watch these trends closely for developments and encourage Australian political leaders to explain Australian strategic policy and ensure public support for those choices. They should also ensure that they engage more regularly and systematically with a broader cross section of Australian society than just the narrow security elite.

Australia's national day, January 26, commemorates the beginning of the continent's European settlement in 1788. Yet its place in the public imagination as the focal point for celebration and reflection on what it means to be Australian has been overtaken by Australian and New Zealand Army Corps (ANZAC) day, held on April 25. ANZAC day marks the first major military engagement of the newly created Australian Commonwealth and has become a national moment to remember those who died in military service and to celebrate Australia's defense forces more generally.¹ That a day of remembrance, which people were slow to embrace due to its focus on a campaign that ended in defeat, has become such a major event speaks both to the role that ideas of war play in contemporary Australia and to the way national identity has been tied to the use of military force in the minds of policy elites as well as the broader public.²

Stemming in part from this sense of the country's origin myth, there is now a strong consensus among policy elites on the central role of the military in Australia's international policy. Considerable support exists for maintaining a sophisticated, highly capable Australian military that is part of the system of alliances organized by the United States. Hard power—that wielded both by Australia and by its allies and partners—is among the most important elements of the country's statecraft. Since its founding in 1901, Australia has participated in every major conflict involving allied forces and has been prepared to send its troops a long way from home to advance its strategic interests. Its defense budget is among the world's fifteen largest, and its most recent defense white paper has committed to spend 2% of GDP on defense over the coming decades.³ This position is entrenched within both of the major political parties, as well as within the bureaucracy. Yet although public opinion is broadly supportive of this policy, some ambivalence is evident in recent polling, and defense and strategic policy rarely figure in public debate. Given the costs—fiscal, diplomatic, and physical—why has Australia taken such a view on military power?

At first glance, the main approaches to international relations can help account for this approach. Realists point to the fact that the country is materially much better off than any of its neighbors. Its geography, however, makes it vulnerable to predation, and as a middle-ranking power, Australia must tie itself to a great power for protection. To defend itself, Australia needs a capable military whose contributions to the international order also help ensure that its great-power ally will assist when required. Yet on closer inspection such arguments appear flawed. Australia's population base is among the most remote on the planet, and the vast and inhospitable continent provides a high degree of natural protection. Australia faces no meaningful threat from any country over even the medium term, and its neighbors have neither the interest nor the capacity to threaten its wealth or people. In traditional military terms at least, Australia is extremely secure.

More liberal accounts of state behavior focus more heavily on factors that derive from the political structure and circumstances of states. The one time that the left-of-center Australian Labor Party publicly articulated a possible shift in aspects of the country's strategic and defense policy—during the 2004 federal election—the decision was perceived to have played a big part in the party's large defeat that year. Yet while public support for the U.S. alliance and the overarching trajectory of Australian strategic policy can explain electoral damage when one tries to change

¹ Carl Bridge, "ANZAC Day (25 April)," in *Oxford Companion to Australian Military History*, ed. Peter Dennis et al., 2nd ed. (Oxford: Oxford University Press, 2008), 32–37.

² On ANZAC mythology, its growth, and implications, see James Brown, *Anzac's Long Shadow: The Cost of Our National Obsession* (Melbourne: Black Inc. Publishing, 2015).

³ International Institute for Strategic Studies, *The Military Balance 2016* (London: Routledge, 2016), 232; and Department of Defence (Australia), *2016 Defence White Paper* (Canberra, 2016).

that policy, it does not explain why the policy resonates so strongly with voters in the first place. Perhaps more interestingly, even though Australians have become used to, and indeed demand, very high levels of social welfare, including universal healthcare, disability insurance, and heavily subsidized public universities, they remain content to spend very significant sums of taxpayer money on defense. The *2016 Defence White Paper* describes a plan to ramp up spending to its highest level since the end of the Cold War, yet there is virtually no opposition to the amount spent nor discussion of the underlying rationale for such a significant investment.⁴ On the other hand, Australians have become increasingly uneasy about military casualties. Relatively speaking, Australian loss of life in Iraq and Afghanistan has been very low, yet public reaction to even a single casualty is remarkably strong. This response seems oddly disconnected from a foreign and defense policy in which the use of force to advance political ends is a substantial component, to say nothing of a national mythology that gives war such a central role.

An examination of Australia's strategic culture can help deepen our understanding of the country's international policy and fill in the gaps left by more materially focused accounts. As this report will show, the ideas that animate the strategic thinking of policy elites, and how they are influenced by particular geographic, historical, and social circumstances, are crucial to understanding how Australia acts strategically and what it is likely to do in the future.

This report will examine the role played by strategic culture in shaping Australia's current consensus around military power and the use of force in its international policy. The first part of the report examines the drivers that created and continue to shape that culture. These take three main forms. First, from the moment of European settlement to the present, Australians have felt insecure, and this insecurity plays a very important role in Australia's strategic culture. The second driver relates to the political ideas, institutions, and structures that turn a broader cultural disposition into policy. The third concerns how the military has developed in response to these circumstances. Perhaps what is most distinctive about Australia is the disjunction between the country's immense physical scale and its population. As a result, Australia's ability to manage its insecurities has depended on other countries. In many respects, at the heart of Australian strategic culture is the interplay of two ideas, anxiety and dependence, and this dynamic has shaped the role played by military force in Australia's international policy.

Having established these three main drivers of Australian strategic culture, the following section then explores how this culture shapes the country's contemporary strategic behavior. It begins by sketching core features of current strategic behavior and then examines the debate over Australia's response to the rise of China. The aim is to explore the ways in which this culture influences and constrains strategic choice. The conclusion reflects on the future direction of Australian international policy and argues that although the status quo is likely to prevail, a number of emerging trends may be leading-edge indicators of some evolution in the country's strategic culture.

Foundations of Australian Strategic Culture

Strategic culture's principal point of conceptual appeal is that it focuses directly on the particular historical, political, and social circumstances of a society and the ways in which they influence a country's use of force. Critics argue that the concept of a particular country behaving a

⁴ Department of Defence (Australia), *2016 Defence White Paper*, 178.

certain way because of a unique culture is too expansive.⁵ The challenge is to focus on the important features of a country's culture that have a bearing on its strategic behavior. Of the many salient features that influence Australian strategic culture, three groups stand out: (1) the profound sense of anxiety and insecurity that has permeated Australian political life since European settlement, (2) the political structures through which strategic policy is articulated and formalized and the narrow aperture in which strategic culture operates, and (3) the way in which these have shaped the particular role played by Australia's defense force.

An Inherent Sense of Insecurity

Since the continent's settlement by British colonists in the late eighteenth century, Australian society has experienced profound bouts of anxiety and fear. This entailed an early sense of existential dread about the capacity of the settlement to survive in an extremely demanding physical environment. But Australia was also driven by the fear that its remarkable prosperity could be taken away by a predatory force.⁶ This section will explore the ways in which these anxieties have underpinned Australia's thinking about its place in the world and the policy choices that it makes in international engagement.

It is a truism to observe that a state's geography determines its fate. But as the "resource curse" literature reminds us, the facts of geography and geology alone do not determine national welfare.⁷ Rather, it is the way in which this material reality is understood and acted on that shapes how these physical facts influence social outcomes. Australia is extraordinarily vast, with around 29,200 miles of shoreline as well as one of the world's largest exclusive economic zones (EEZ). The population is relatively modest, at around 24 million in 2016, making the country one of the most sparsely populated in the world. Yet the vast majority of the population lives in large conurbations on the east and southern coastline. More than half the population lives on the 2,500-kilometer coastal strip from Brisbane to Sydney and down to Melbourne. As a result of this geography, from the outset, the infrastructure of Australian society has been very isolated.

The small population set against the large scale of the country established what remains Australia's core strategic dilemma. The country is too vast, the prospective targets too many, and the wherewithal to defend too limited; how, then, could Australians defend Australia? The answer was to rely on great powers to provide the underlying guarantee that Australia could not provide for itself. This meant dependence on others.

An important component of Australia's outlook stems from its foundation as a European settler society established by an act of dispossession. British forces, both public and private, came to the country and took it from the indigenous population. Even though acknowledging this history in public life remains controversial, the founding act of modern Australia demonstrated plainly the risks faced by the people of the continent. Australians are haunted by the idea that what the British did to the indigenous population could well happen to them. Their strategic thinking is at a deep level beset by a recognition of the land's inherent vulnerability, which is what after all brought the country into being.

⁵ Alan Bloomfield and Kim Richard Nossal, "Towards an Explicative Understanding of Strategic Culture: The Cases of Australia and Canada," *Contemporary Security Policy* 28, no. 2 (2007): 286–307.

⁶ See Alan Renouf, *The Frightened Country* (London: Macmillan, 1979).

⁷ For more on this resource curse, see Michael L. Ross, "The Political Economy of the Resource Curse," *World Politics* 51, no. 2 (1999): 297–322.

Such anxieties about security have been ever present in the Australian experience.⁸ With the discovery of gold in the mid-nineteenth century, Australia became one of the most affluent parts of the British empire.⁹ This period was one of intense inter-imperial rivalry, as European powers battled for wealth, prestige, and strategic advantage globally. And it was the arrival, unannounced, of U.S. naval vessels in Sydney Harbor not long after the U.S. Civil War that prompted the organization of the city's first defense system. Australia participated in both World Wars I and II as part of the British empire's war effort. Although Australia had strategic interests at stake in the conflicts, with Darwin and Sydney experiencing their first physical assaults since European settlement, both the decision to participate and the strategic function of Australian forces was a consequence of British imperial priorities.

In the post-World War II era, Australia began to play a role in international society as a properly independent power.¹⁰ The weakness of the British empire exposed by the fall of Singapore drove Australian policy elites to seek protection from an initially reluctant United States.¹¹ Communism was on the march, with large-scale, high-intensity conflict on the Korean Peninsula and in Indochina illustrative of the chaos seemingly inherent in the region. Australia took part in both those wars. But whereas prior to 1945 it went to war out of imperial obligation, now it did so out of a calculation of national interest. Critics have described Australia's involvement in Vietnam as a reversion to the subordinate imperial impulse, with Washington's prerogatives replacing London's. This understates the agency of Australian policymakers and their sense that Australian military contributions could help manage the country's vast vulnerabilities. In some cases, this support was direct. For example, Australians took part in the conflict between Malaysia and Indonesia in the early 1960s, which could have spiraled into a contest with tangible consequences for Australia. In others cases, it was indirect, such as the contribution to the Korean War that helped convince wavering U.S. decision-makers of Australia's strategic bona fides.¹²

Whereas the country's first 30 years of independent strategic policy were notable for the volatility and violence of the East Asian region, since the late 1970s the region has been relatively peaceful and stable.¹³ Yet even though its part of the world is devoid of major conflict, Australia continues to perceive itself as vulnerable and has profound anxieties about its security. To the old concerns about geopolitics has been added unease about globalization.

Since the reforms of the 1980s, which liberalized many aspects of what had been a highly protected and regulated economy, Australian society has become increasingly globalized. It has a very open economy; its trade profile, though heavily dominated by China, remains diverse; its population travels widely; and its financial system is intimately bound to the major global financial markets of New York, London, Singapore, and Tokyo. Yet just as globalization has been crucial to Australia's recent prosperity, it has created a new range of vulnerabilities and a greater perception

⁸ For more on these anxieties, see Anthony Burke, *Fear of Security: Australia's Invasion Anxiety* (Cambridge: Cambridge University Press, 2008).

⁹ Edward Shann, *An Economic History of Australia* (Cambridge: Cambridge University Press, 1948).

¹⁰ For more on Australia's status as an emerging power after 1945, see David Lowe, ed., *Australia and the End of Empires: The Impact of Decolonisation in Australia's Near North, 1945-65* (Sydney: University of New South Wales Press, 1996).

¹¹ For an account of the treaty's origins from one of the Australian architects, see Percy Spender, *Exercises in Diplomacy: The ANZUS Treaty and the Colombo Plan* (Sydney: Sydney University Press, 1969). For a more recent account, see Hiroyuki Umetsu, "The Birth of ANZUS: America's Attempt to Create a Defense Linkage between Northeast Asia and the Southwest Pacific," *International Relations of the Asia-Pacific* 4, no. 1 (2004): 171-96.

¹² R.J. O'Neil, "The Korean War and the Origins of ANZUS," in *Munich to Vietnam: Australia's Relations with Britain and the United States since the 1930s*, ed. Carl Bridge (Melbourne: Melbourne University Press, 1991).

¹³ Stein Tonnesson, "What Is It That Best Explains the East Asian Peace since 1979? A Call for a Research Agenda," *Asian Perspective* 33, no. 1 (2009): 111-36.

of insecurity among both policy elites and the population more generally. Even in a heavily liberal era, marked by dense networks of economic interdependence and almost no incidence of war and conflict within the broader region, Australians continue to experience a sense of insecurity that resonates with the longer-term view that their country is inherently vulnerable.

This sense of anxiety about Australia's place in the world—that the risks it faces are too great for a society of its scale to manage—has three dimensions that are important for the country's strategic culture. At a basic level, there is a practical sense that the defense of Australia's sovereign territory and core interests is something that is difficult, if not impossible, to achieve. In the landmark white paper *The Defence of Australia 1987*, the government sought to embrace the notion that, notwithstanding the challenges of its geographic scale, with shrewd planning and technological superiority the country could defend itself.¹⁴ Yet in spite of this approach, Australian strategic thinking is still imbued by the fundamental difficulties involved in defending such a vast territory.¹⁵ The second dimension relates to the vulnerability of the international economic and strategic order on which its well-being depends. Australia has a strong interest in the perpetuation of a range of institutions, principles, and practices to whose defense it can, at best, contribute marginally. Australia's welfare, even if not its basic existence, depends on the perpetuation of a liberal international economic order, the openness of the region's sea lines of communication, and the continued existence of U.S. strategic primacy. Yet it can do very little to help protect and defend those institutions. Finally, a sense of insecurity appears to be fundamental to the Australian strategic imagination. From Australia's origins in dispossession and development in a challenging and difficult landscape to its maturation in a dangerous region, the inherent vulnerability of the country—of its land, its wealth, and its culture—is a crucial part of being Australian.

Political Factors

Anxiety alone does not make a strategic culture. The political structure is also vital. A crucial feature of the Australian political system is the practice of cabinet government.¹⁶ Unlike the U.S. system in which there is a firm demarcation between legislative and executive branches, a cabinet government is formed by members of the parliament in a fusion of the two branches. This is intended to provide a strong parliamentary system of government. The Westminster system operates under the conceit that all cabinet members are equal; the prime minister is first among equals. Yet the reality is that the prime minister is the dominant political player generally and is overwhelmingly so in strategic policy. This is sometimes thought of as a recent phenomenon, a product of the “presidentialization” of the prime minister's office.¹⁷ But the prime minister, both in the person and the private office, has been the most important figure in Australian foreign and defense policy since at least 1945.¹⁸ While there are a range of political figures that are crucial to strategic policy—the minister of defense and his or her staff, the head of the department and chief of the defense force, and the cabinet's National Security Committee—these are ultimately selected

¹⁴ Department of Defence (Australia), *The Defence of Australia 1987* (Canberra, 1987).

¹⁵ See Stephan Frühling, “Australian Defence Policy and the Concept of Self-Reliance,” *Australian Journal of International Affairs* 68, no. 5 (2014): 531–47.

¹⁶ For an overview of the Australian political system, see Narelle Miragliotta, Wayne Errington, and Nicholas Barry, *The Australian Political System in Action*, 2nd ed. (Oxford: Oxford University Press, 2013).

¹⁷ Glenn Kefford, “The Presidentialisation of Australian Politics? Kevin Rudd's Leadership of the Australian Labor Party,” *Australian Journal of Political Science* 48, no. 2 (2013): 135–46.

¹⁸ Coral Bell, *Dependent Ally: A Study in Australian Foreign Policy*, 2nd ed. (Sydney: Allen and Unwin, 1993).

by and are subordinate to the prime minister. The overarching substance of strategic policy and specific decisions reflect the narrow concentration of power and influence in a small number of people at the apex of government.

This narrowness in government is also mirrored by a narrow policy and public debate. In part this is not surprising given the country's scale. Only one print journalist has defense and strategic affairs as a core responsibility. Three others have national security affairs as part of their brief, while the remaining coverage comes from general political reporters. Three full-time columnists comment on international affairs, and none of them have strategy as a principle concern. There is no independent think tank that has strategy as a focal point. The Australian Strategic Policy Institute was established by and remains heavily dependent on the Australian government for its financial viability. In universities, the only group of scholars focusing explicitly on strategic matters is the Australian National University's Strategic and Defence Studies Centre. It too is financially supported by the Department of Defence. Australia's only other significant international affairs think tank, the Lowy Institute for International Policy, has one military fellow, operates an international security program (comprising one person at present), and normally hosts a visiting member of the Australian Defence Force. The total number of academics working on strategic studies in Australia is only around 30.

The point is not that strategic debate in Australia is dominated by a narrow, self-selecting "politico-military" elite that echoes back to government the prevailing wisdom;¹⁹ rather, it is that the small number of voices shaping strategic policy in government is mirrored by a small community of experts. This creates a relatively narrow frame of reference for broader debate about strategic affairs and reinforces the predominant culture over its alternatives. In the longer run, there is a risk that the narrow group will believe that its approach has broader support than may in fact be the case. I will return to this potential problem in the conclusion.

Even though the Australian colonies had been involved in a number of Britain's imperial wars, including the Crimean War, the Boer War, and the Boxer Rebellion, Australia did not become a properly independent player in international politics until after 1945.²⁰ The legislature was subject to British Parliament up until the passage of the Westminster Adoption Act in 1942, which made the parliament in Canberra fully sovereign. In foreign and defense policy, it was not until the defeat of the Axis powers that the Australian government's new independence had the chance to develop in practical terms. From 1901 until 1945, Australia was a branch office of the British empire. This was perhaps most visible in its foreign representation, which remained until the 1940s solely present in London. Australian strategic policy is thus young: independent action, responsibility, and accountability are entirely a post-1945 experience.

The novelty of strategic policy has two broader implications. Prior to 1945, there was not much in the way of a distinctively Australian perspective on international policy. Australia's worldview, such as it was, took the British empire and its needs and interests as coterminous with its own. T.B. Millar's *Australia's Defence*, published in 1965, was, as Brendan Taylor points out, the first word on the subject.²¹ To the extent to which Australian policy elites are explicitly educated in

¹⁹ For such a view, see Alex Burns and Ben Eltham, "Australia's Strategic Culture: Constraints and Opportunities in Security Policymaking," *Contemporary Security Policy* 35, no. 2 (2014): 187–210.

²⁰ For more on Australia's involvement in these wars, see T.B. Millar, *Australia in Peace and War: External Relations since 1788*, 2nd ed. (Basingstoke: Macmillan, 1991).

²¹ T.B. Millar, *Australia's Defence* (Carlton: Melbourne University Press, 1965); and Brendan Taylor, "Introduction," in *Australia's Defence: Towards a New Era?* ed. Peter Dean, Brendan Taylor, and Stephan Frühling (Carlton: Melbourne University Press, 2014), 1.

strategy, and many are not, they study the standard classical works of Western strategic studies, such as Carl von Clausewitz and Antoine-Henri Jomini, as well as seminal works published since the war, such as those by Thomas Schelling, B.H. Liddell Hart, Lawrence Freedman, and Colin Gray. There are no books that one would describe as providing seminal insights into the minds of Australian strategic thinking as yet.

This formative experience has left a deep imprint on Australian strategic culture. Australia found itself newly independent, in international policy terms, at a time and in a region that was experiencing rapid change and widespread conflict and violence as European empires crumbled. Australia stood out for its wealth, its European heritage, and huge expanses of open space, to say nothing of its openly racist attitude to migration that lasted until the late 1960s.²² As a country that saw itself as inherently European, a strategically independent Australia took its first steps in a world that seemed both alien and disturbingly prone to conflict. The consequence of this was the formation of a strategic culture that had its underlying sense of anxiety confirmed by experience.

Finally, and perhaps most importantly, is the role played by war in the mythology surrounding Australian national identity. As one senior defense official puts it, Australia's strategic imagination "is shaped by geography and history. It is intrinsically entwined with national history."²³ This fusion of geography, history, and identity has been present since the end of World War I. The participation of the ANZAC forces in the Gallipoli campaign and then on the western front gave the fledgling nation a presence on the international stage. But more than this, it created what has become a foundation myth of national identity, one in which ideas associated with sacrifice, bravery, and loyalty were etched into national consciousness. Over time, this identity has been actively fostered by government, and the myth-making of ANZAC has become steadily more deep-seated. One of the most perceptive recent analyses of the idea argues that ANZAC "has become our longest eulogy, our secular sacred rite, our national story."²⁴ The focus on this experience began as a means to manage grief and to reflect on shared sacrifice and over time has taken on a totemic place in the popular imagination. Quite why the idea resonates so widely with the populace is difficult to discern, but for the purposes of this report it is sufficient to observe that war has become a central tenet of contemporary Australian national identity. At a basic level, this means that the kinds of questions about military power that are raised in countries with a stronger pacifist sensibility are at best marginal in Australia. This national identity provides a broad basis for a strategic culture in which the use of force is a central component. The legitimacy of the use of force as a tool of statecraft is not in doubt.

Yet notwithstanding this embrace of the idea of wartime experience, the role of the military in Australian society is much more ambivalent than the wholesale embrace of the ANZAC myth implies. Indeed, as one scholar points out, the military plays a peculiar and far from intuitive role in contemporary Australia.²⁵ While war is foundational to the official sense of what it means to be Australian—a nation forged in blood and sacrifice on the battlefield is perhaps the most common image—Australians remain uneasy about the reality of war. Defense matters are rarely the subject of public debate, and the military is almost invisible in day-to-day life. Every casualty in Afghanistan is mourned as a national tragedy. There is a tendency to wallow in the

²² For more on the latter issue, see Gwenda Tavan, *The Long Slow Death of White Australia* (Melbourne: Scribe, 2005).

²³ Brendan Sargeant, "Burning Bright: Defence Policy, Strategy and the Imagination," *Australian Army Journal* 3, no. 3 (2006): 67–86, 74.

²⁴ Brown, *Anzac's Long Shadow*, 2.

²⁵ *Ibid.*

rhetorical richness of war and the simplicity of notions of tragedy and sacrifice, while exhibiting an ignorance, willful or otherwise, of the complex and nuanced role of war in Australian society.

Military Management of Anxiety

The role that the military has come to play in managing Australia's anxieties is one of Australian strategic culture's central features. Combat in high-intensity warfare was the first experience of the newly formed nation's strategic engagement. It established what has come to be a foundational part of modern Australian national identity and also created the grammar of Australia's strategic thinking. As a colony, Australia received protection and succor from Britain, and this dependence continued after 1901 even though it was a self-governing dominion. Yet as both world wars showed, protection came with a price: military contributions to the war effort.

This sense was put into sharp relief in the 1940s. As Paul Dibb, one of Australia's most influential strategic thinkers, puts it, "when Japan threatened Australia with invasion in the Second World War, the fears that Australia could not defend itself without help from a large ally were starkly confirmed."²⁶ A small country seeking protection from a major power physically located at some distance from the junior partner needs to work hard to ensure that its alliance guarantee is reliable. And it is the interplay of these two sensibilities, anxiety and dependence, that explains the centrality of military means in the country's international policy. During the first half of the Cold War, this was manifest in a strategy of "forward defense." Australia organized its military, in terms of capabilities and doctrine, around the projection of force out into the region. The aim was both to neutralize threats before they imperiled the homeland and to contribute to alliance contingencies as a way of ensuring the longer-term support of the United States.²⁷ Resolving the twin problems of anxiety and dependence in this way established a pattern sustained from the Korean War to this day: Australia continues to see service of alliance commitments as crucial to its long-term survival. Central to this doctrine is maintaining a military that can meet both needs, assuaging the country's fears and helping manage its dependence.

This first need is the traditional requirement to defend the territory and sovereign independence of Australia. This is nowhere more clearly stated than in the *2016 Defence White Paper*, which notes that the "self-reliant defence of Australia's territory remains the highest priority for this Government, and protecting Australia from the threat of armed attack or coercion is the primary mission for Defence."²⁸ Yet that same document acknowledges that the country is extremely unlikely to face any meaningful challenge of this kind in the foreseeable future. Policymakers are aware that the major strategic challenges Australia faces come from larger forces at some physical remove from the country. Equally, a deep-seated feeling of anxiety about Australian society nags away in the minds of policymakers. In particular, they are troubled by a sense that if a major power were to put its mind to threatening Australia, the country could not cope on its own.

Thus, the Australian military has a second crucial function. Australia has a strategic interest in the maintenance of a stable regional balance of power, open and freely traversable sea lines of communication, and a broadly liberal international order. Although the country's capacity to advance these goals is very constrained, it has felt the need to ensure that its military can contribute.

²⁶ Paul Dibb, "The Self-Reliance Defence of Australia: The History of an Idea," in *History as Policy: Framing the Debate on Australia's Future Defence Policy*, ed. Ron Huiskens and Meredith Thatcher (Canberra: Australian National University Press, 2007), 11.

²⁷ Graeme Cheeseman, "From Forward Defence to Self Reliance: Changes and Continuities in Australian Defence Policy, 1965–90," *Australian Journal of Political Science* 26, no. 3 (1991): 429–45.

²⁸ Department of Defence (Australia), *2016 Defence White Paper*, 33.

But a much greater imperative is developing the capacity to support the strategic policy of its ally. This function has involved using the military to support the United States as a kind of insurance payment for the overarching protection it affords. From the deployment of forces in Korea, which helped cement the embryonic alliance in the 1950s, through the wars in Vietnam and Iraq, Australia's participation in every significant conflict in which the United States has sought the country's support reflects this reality. As with many allies, the Australian contribution to Afghanistan is the country's longest combat engagement. While governments of both stripes have presented this involvement as part of a broader contribution to the fight against terrorism, its strategic function was and remains firmly about the alliance between Australia and the United States.²⁹

At various points in Australia's history, reconciling these interests in the form and function of the defense force has been more or less difficult.³⁰ The ability to justify or legitimate the expenditure of money and lives on more abstract notions such as "wider interests" or "alliance premiums" has historically been challenging, as the controversies around involvement in Vietnam in the 1960s and Iraq in 2003 showed. Equally, Australian governments have sought to maximize the benefits from the alliance partnership while minimizing the insurance premium that it has paid. Nonetheless, the Australian Defence Force has been and will continue to be structured around maintaining a capacity to carry out this function. The gap between the language used to explain defense policy and the imperatives driving strategic policy reflects underlying tensions in the political management of the country's policy.

At the heart of Australia's strategic culture is a strong sense of insecurity. Born of both short-term vulnerabilities as well as deeper fears deriving from the origins of European settler society, this sense has created an international outlook that sees military means as a crucial component of statecraft. It assuages anxiety both directly and by means of a down payment to a great and powerful protector. These instincts have been fostered by the Australian political system and culture and reinforced by the narrow concentration of policy influence and debate in the country more broadly. There is presently a strong political consensus around strategic policy that reflects this culture. Yet the narrowness of this debate and the rhetoric around strategic policy that is at times at some remove from current policies mean that although there are no immediate fracture points in strategic policy, the deeper foundations of current policy are perhaps not as secure as they may at first appear.

Australia's Strategic Culture in Practice

Having established the origins and core features of Australian strategic culture, this section of the report explores its implications for contemporary strategic policy. The aim is to discern the ways in which strategic culture has shaped strategic policy choices. The section begins by examining the basic features of strategic policy and then examines the way in which Australia's strategic culture has shaped the debate about the country's preeminent strategic challenge: how to respond to the rise of China.

²⁹ Graeme Dobell, "The Alliance Echoes and Portents of Australia's Longest War," *Australian Journal of International Affairs* 68, no. 4 (2014): 386–96.

³⁰ For a good survey of this history, see Hugh White, *Beyond the Defence of Australia: Finding a New Balance in Australian Strategic Balance* (Sydney: Lowy Institute for International Policy, 2006).

Trends in Strategic Behavior

Depictions of Australia's prevailing strategic culture have tended to use dichotomies to make sense of the country's behavior. Perhaps the most common of these is to see Australian strategy as the result of an ongoing debate between an "expeditionary" and a "defense of Australia" approach. The dispatch of the Australian Imperial Force to Gallipoli and the western front in World War II was the forerunner of the expeditionary mindset. In the immediate aftermath of World War II, the country adopted "forward defense" as its overarching strategic concept and participated in wars across Asia, particularly in Korea and Indochina under this rubric. Forward defense represented "a more directly utilitarian approach than the contributions to common imperial defense that had preceded them."³¹ The move in the 1970s and 1980s toward an explicitly self-reliant posture represents this latter approach. Its apogee was reached in the 1987 *Defence White Paper*. Since the turn of the millennium, Australian defense policy has featured both elements, with some arguing that it is attempting to "split the difference" between these two approaches.³² But rather than being a compromise, current policy is the natural culmination of the interplay between anxiety and dependence that lies at the heart of strategic culture.

Defense Priorities and Spending

How has the anxiety-dependence interplay shaped defense policy priorities? The kind of military force that Australia has maintained and the strategic logic underpinning the structure, doctrine, and operations of that force have varied over time. The Australian military has evolved from having an expeditionary focus, in which it was organized principally to exercise force at a distance, to assume a more defensive structure and is now in a phase where both elements have a shared focus. The nature of its strategic environment and culture meant that, in contrast with many Western allies, Australia did not organize its defense force around a specific threat but instead put capabilities at the center of long-term planning.³³

Australia has come to regard several attributes as the minimal requirements for managing its strategic environment. Most obviously, it aims to have a defense force that is at the leading edge in its region. This refers both to the technological sophistication of its military equipment and to the professionalism of its fighting forces. Second, the country aims to have an informational advantage in its region, including high-quality intelligence about its strategic environment, awareness of its vast maritime domains, and the ability to evaluate challenges so as to best manage threats given scarce resources. Third, it aims to be able to project force over a considerable distance. This goal reflects not just that Australia is a large country with a vast EEZ and that its defense assets need to be mobile but also the longer-term trend of achieving strategic goals by contributing to contingencies far from home.

These priorities have shaped the force structure and acquisition programs of the Australian Defence Force over recent decades. There has been an emphasis on intelligence, surveillance, and reconnaissance and related infrastructure, as well as regionally leading air combat platforms and naval capacity. Equally, Australia has sought to build a capable defense industry and has taken steps in its most recent white paper to commit to supporting that base over the next three to four decades. Perhaps the highest-profile example of this is Australia's submarine program. In the

³¹ Stephan Frühling, "Australian Strategy and Strategic Policy," in Dean et al., *Australia's Defence*, 184–205, 189.

³² White, *Beyond the Defence of Australia*; and Robert Ayson, "Discovering Australia's Defence Strategy," *Security Challenges* 12, no. 1 (2016): 41–52.

³³ Thomas-Durrell Young, "Capabilities-Based Defence Planning: The Australian Experience," *Armed Forces and Society* 21, no. 3 (1995): 349–69.

late 1970s the government determined that the country needed a submarine capability and that this should be built in Australia. This led to the first-generation Collins-class program, commenced several decades ago. A core component of the vision for future Australian strategy is the plan to form a fleet of twelve next-generation submarines over the coming decades. This expensive decision, made more so by the requirement for using a local build, in many ways encapsulates the dual function that the defense force has taken on, reflecting the anxiety-dependence dynamic in the country's strategic culture. Australia needs to defend its interests in a vast maritime domain while also contributing to U.S. maritime interests in East Asia. Submarines are vital for achieving both goals in an increasingly contested East Asian maritime theater.

Australia's defense expenditure is notable in global terms, ranking thirteenth in the world in 2016 at \$23.6 billion.³⁴ This is roughly equivalent to Italy and the United Arab Emirates, but significantly lower than South Korea, which rounds out the top ten. Although Australia also usually ranks between twelfth and fourteenth in aggregate GDP, the size of its defense budget obscures the reality that, both in real terms and as a proportion of GDP, the country's defense budget has been in a steady, if very gentle, decline since around 1988.³⁵ The precise level of defense expenditure has in recent years become a point of partisan political dispute. The conservative Coalition had been critical of the Labor government's cuts to defense spending in the wake of the global financial crisis. The claim put forward was that around A\$5 billion was cut from the defense budget each financial year from 2009 to 2013. The Coalition saw an electoral advantage in trying to portray the Labor Party as weak on national security and attempted to play on the underlying anxieties of the Australian populace. As a result, the *2016 Defence White Paper* committed to increasing defense expenditure steadily until 2020–21, when total spending will be A\$42.4 billion, or 2% of GDP.³⁶ Although both sides support the plan in principle, it is unclear how additional defense spending will be funded—whether through taxation or cuts to other government programs.

Because of the anxiety-dependence interplay, Australia needs a significant and capable defense force. But a consequence of the fact that the underlying reality of the country's strategic setting is relatively benign and that the insurance premium does not have to be paid too frequently, nor is the price high, is that the defense force has been used in a number of other ways. In recent years, Australia has taken on an important humanitarian and development function in relief efforts ranging from Japan's March 11 disaster to the Fiji hurricane in 2016. The country has also focused on what has come to be known as defense diplomacy. Australia increasingly sees using defense forces for diplomatic means to manage strategic challenges as an important part of its broader international policy. While there are questions about the efficacy of this activity, the scale, capacity, and relative scope for conducting such activities within the Australian Defence Force reflects the gap between its strategic logic and its actual operational life.³⁷

³⁴ Sam Perlo-Freeman, Aude Fleurant, Pieter Wezeman, and Siemon Wezeman, "Trends in World Military Expenditure, 2015," Stockholm International Peace Research Institute (SIPRI), SIPRI Fact Sheet, April 2016, <http://books.sipri.org/files/FS/SIPRIFS1604.pdf>.

³⁵ David Watt and Alan Payne, "Trends in Defence Expenditure since 1901," Australian Parliamentary Library Research Service, Budget Review 2013–14, 2013, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview2-1314/DefenceExpenditure.

³⁶ Department of Defence (Australia), *2016 Defence White Paper*, 180.

³⁷ See Daniel Baldino and Andrew Carr, "Defence Diplomacy and the Australian Defence Force: Smokescreen or Strategy?" *Australian Journal of International Affairs* 70, no. 2 (2016): 139–58.

Australian Strategy and the Rise of China

China's return to a position of significant power presents Australia with a strategic dilemma—how does it reconcile its considerable economic links to China with its very important strategic interests with the United States? China's actions over the past half decade have disrupted the broader regional security order, the maintenance of which has been a vital interest to Australia. For the first decade of the 21st century, Australia largely understood this challenge in tactical terms: would China's growing economic ties to Australia give Beijing leverage over Canberra?³⁸ Over time, China's growth and its broader regional ambitions have prompted more debate at the strategic level over how Australia should respond.³⁹

Within this debate, one can identify four main positions advocated by scholars, analysts, and policymakers. The first, an optimistic liberal position, sees the economic interdependence of the region, and particularly of Sino-U.S. relations, as likely to continue to provide the foundations of a stable future. China and the United States' mutual economic interests will ensure that competition between the two regional powerhouses is limited and that Australia need not make a significant shift in its strategic policy.⁴⁰ The second position, still liberal but more pessimistic in outlook, sees the prospects of China becoming dissatisfied with the prevailing international order as real. Thus, Australian strategy must be focused on enmeshing China into the existing U.S.-led order. There are multiple ways to do this, including through incentives and socialization as well as constraints. Australian policy would thus both support the institutional and normative means of shaping China's policy preferences and make meaningful contributions to efforts to increase the costs that China would have to pay if it were to try to deviate from the prevailing setting.

The third approach is more realist in that it sees the prospects of military contestation between the United States and China as plausible, if not likely, and advocates what has come to be known as a hedging strategy. That is, Australia should be in a position to support regional efforts to dissuade China from destabilizing the status quo through bolstering its own military capabilities while also engaging diplomatically with China to offset the damaging consequences of a hedging strategy.⁴¹ The fourth approach is the most pessimistic and would represent a significant departure for Australian strategic policy. This view sees China's scale, wealth, and ambition as ultimately incompatible with the prevailing regional order. As a consequence, Australia and other countries will need to develop a new way of structuring Asia's strategic setting. The best-known representative of this approach, Hugh White, argues that a concert of power—in which the region's big states share power and influence to manage Asia's international relations—is the optimal path forward and that Australia will need to develop significantly greater independent military capacity to navigate this new world.⁴² Yet even though this debate has become heated and at times surprisingly personal, it has not captured the public imagination and remains the focus of a rather small group of policy analysts, journalists, and scholars.⁴³

³⁸ This issue first came to the surface when then foreign minister Alexander Downer, while in Beijing, said that a Sino-U.S. conflict over Taiwan would not automatically trigger the Australia, New Zealand, and United States Security Treaty. Hamish MacDonald and Tom Allard, "ANZUS Loyalties Fall under China's Shadow," *Sydney Morning Herald*, August 18, 2004.

³⁹ For an early assessment of that debate, see Carlyle A. Thayer, "China's Rise and the Passing of U.S. Primacy: Australia Debates Its Future," *Asia Policy*, no. 12 (2011): 20–26.

⁴⁰ Geoffrey Garret, "Cold War Talk Is Hot Air," *Sydney Morning Herald*, July 17, 2011.

⁴¹ Derek McDougall, "Australian Strategies in Response to China's Rise: The Relevance of the United States," *Asian Survey* 54, no. 2 (2014): 319–42.

⁴² Hugh White, *The China Choice: Why America Should Share Power* (Melbourne: Black Inc. Publishing, 2010).

⁴³ For an example of these heated debates, see Greg Sheridan, "Malcolm Turnbull in Mainstream on Foreign Policy," *Australian*, April 9, 2015.

China's rise represents the most significant change in Australia's strategic environment since 1945. In response to this, Australia has adopted the third position. This involves hedging against China's more destabilizing instincts by tightening its alliance relationship with the United States and committing to a significant increase in military spending focused largely on increasing the country's capacity to project force beyond the Australian continent, while also engaging actively with China to ensure that the bilateral relationship is as positive as possible. To this latter end, Australia has established a strategic partnership with China involving regular high-level meetings, military exercises, officer exchanges, and so on. It also signed the China-Australia Free Trade Agreement in 2014, which while suboptimal in economic terms was nonetheless a high political priority because it was part of the broader "engage but hedge" approach. Indeed, there have been times when, as part of its bilateral engagement with China, Australia has taken political steps that are at some remove from Washington's preferences, such as joining the Asian Infrastructure Investment Bank (AIIB) and leasing the port of Darwin to the Chinese company Landbridge without sufficient consultation.⁴⁴ The decision on the AIIB divided the government at the time, which was led by Tony Abbott. Cabinet ministers with an economic portfolio backed membership, while others opposed it. Ultimately, the country's interest in regional infrastructure development prevailed over the more strategic considerations. The catalyst for this outcome was the United Kingdom's decision to join, which made strategic arguments for remaining outside hard to sustain. The decision was also informed by the belief that Canberra can reconcile its ties to Beijing and Beijing-led institutions with its links to Washington.

Even though Australia has experienced a very high level of governmental change over the past five years,⁴⁵ the underlying direction of strategic policy has remained broadly consistent.⁴⁶ Australian strategic policy is fundamentally focused on maintaining the continuity of the U.S.-led regional order; any significant change to this order would require a fundamental shift in the country's approach. China presents a profound challenge to this policy, both in the short and longer term, and Australia's response resonates greatly with its strategic culture. To do otherwise than work to sustain the prevailing order would not resonate at all with the dominant culture. Indeed, those who are for a strategy that is more distant from Washington are viewed as operating outside the norm. The underlying status quo remains the central feature of its future planning involving a significant role for military power in its international policy.

Conclusion

Australian Strategic Culture

Australia's circumstances as a richly endowed island-continent inhabited by a relatively small population and established as a democratic outpost of imperial Britain have embedded a deep sense of anxiety and vulnerability into its strategic outlook. The way in which it has managed these anxieties has created a strategic culture in which the use of force has become and is likely to remain a central part of the country's policy toolkit. The role that force has come to play reflects

⁴⁴ Lisa Murray, "Defence in 'Emergency Talks' with U.S. over Darwin Port Sale," *Australian Financial Review*, December 4, 2015.

⁴⁵ Since 2010 the country has had four changes of prime minister: (1) Julia Gillard replaced Kevin Rudd through a party room challenge in June 2010, (2) Rudd replaced Gillard in June 2013, (3) Tony Abbott defeated Rudd in a general election in September 2013, and (4) Malcolm Turnbull replaced Tony Abbott through a party room challenge in September 2015.

⁴⁶ Brendan Taylor, "Australia and Asia's Maritime Disputes: Continuity amidst the Chaos," Asan Forum, February 22, 2016, <http://www.theasanforum.org/australia-and-asias-maritime-disputes-continuity-amidst-chaos>.

the particular interplay of anxiety and dependence. Australia has a highly capable military force that is able to defend core interests as well as serve as a means to ensure the support of its U.S. ally, given the underlying vulnerabilities of the thinly populated continent. Until such time as the national resource base increases, the management of anxiety through dependence will persist.

Perhaps one of the most significant features of this culture is its heavy inertial qualities. Ideas are hard to move, and continuity is much more evident than are forces for change. Australian strategic behavior has altered, but the underlying features of the country's strategic culture remain: the sense of vulnerability, the role of military power as a vital means of managing anxiety, and the part played by the alliance with the United States to help manage the country's strategic shortcomings.

Notwithstanding this inertia, the current regional environment is the most fluid and uncertain that Australia has faced in several generations. China's return as a top-tier power in world politics has destabilized Asia's strategic balance and posed a set of challenges to many countries in the region. Thus far, Australia has not perceived that its growing economic ties to China necessarily must be weighed against its strategic links to the United States. Instead, it has opted to retain the same basic posture in its strategic policy, and in many respects Canberra has reinforced this position through a tighter political relationship with Washington, its economic links to the United States underpinned by a free trade agreement and it plans for the biggest increase in military capability since the 1960s.

But as the region evolves, as China becomes more powerful, and particularly as China's economic links to Australia become more sophisticated and complex, is Australia likely to sustain its current strategic posture? The balance of probabilities is that it will. Beyond the fact that moving away from the current path would be extremely costly and difficult to undertake, this posture aligns with the country's prevailing strategic culture and has strong support in both major parties, the bureaucracy, and the broader scholarly and analytical community. The major challenge that it is likely to face relates to finances. In particular, the path set out in the 2016 white paper requires a significant fiscal investment, and neither party has thus far shown either an appetite or aptitude to make the necessary tough political choices. A failure to deliver on these commitments is a very real possibility.

While continuity is the most likely of futures, it is important to emphasize that there is a small but nonetheless real prospect that Australian policy may shift in spite of the elite consensus that currently exists. Although there is broad-ranging agreement around core features of Australian strategic policy, the elite culture operates at some remove from the public at large. While ANZAC may be a crucial myth and the nation's most important public day of celebration, there is a notable disconnect between the defense forces, strategic policy, and public debate. Political leaders have not sought to engage in a public conversation about strategic policy and why Australia has the defense policy it does in any meaningful sense. A related problem is that there has never been a sustained effort to speak plainly about the dual function of the Australian Defence Force. The military is always firmly portrayed in public statements as intended first and foremost for the defense of Australian interests and then to serve lofty and often nebulous goals. While this rhetoric may have some ring of truth, the stark reality is that the defense force serves, in part, a utilitarian function: to secure Australia's alliance guarantee from its senior partner. This creates a fault line between the public rhetoric and strategic reality of Australia's defense force. If the public were to

become disillusioned with the current policy settings it has, in this fault line there is the potential for a fracture in strategic culture.

Equally, there is a discernible divergence of opinions about China and the United States, respectively, between strategic policy specialists and Australian business elites. The former remain hawkish on China, while the latter see only economic opportunity in the rise of the People's Republic. The two groups increasingly talk past one another as each sees the other's viewpoint as extreme, ill-informed, and unreal. The point is not that policy is about to be overturned by pro-China business elites hungry for the next deal with Beijing, but rather that the strategic culture and the policy it has fostered is a very narrow affair that largely operates separately from broader public debate about Australia's future. Moreover, key figures in the private sector have very different views from officials in the government and defense forces about Australian policy and China more broadly. While calls to end the alliance with the United States, to go down a path of armed neutrality or some other corridor, remain limited, they do exist.

More pointedly, Australian parliamentarians are not especially interested in strategic or defense policy. It is not especially important to electoral politics, and interest in strategic policy among members of parliament (MP) is remarkably low. Australia has not had a defense minister with any military experience for over three decades, and only a handful of MPs have any combat experience. When this lack of military experience in government is set alongside the active efforts by the Chinese government to exert soft power in Australia, whether through control of Chinese-language print media—now entirely owned by Chinese government interests—funding of research institutes to promote soft interpretations of Chinese behavior, or support for the election campaigns of MPs and senators, it presents an environment in which a disruption of the status quo is a possibility, however remote.

While public support for the broad trajectory of Australian strategic policy has long been assumed, there have been some interesting recent developments. The annual poll conducted by the Lowy Institute for International Policy has recorded a slow decline in support for the alliance with the United States. It should be emphasized that public opinion about the alliance remains quite positive, but the trend line is clear.⁴⁷ The same poll showed that for the first time Australians think China and the United States are equally important to Australia's future, while younger people are more inclined to view China positively. This growing ambivalence about the United States and relaxed attitude to China's emergence among Australians is reflected in other polling, notably a multi-country study run by a network of Asia-focused research institutes.⁴⁸ This reflects a broader loosening of public opinion in the Australian polity, and indeed in many liberal democracies, in which traditional affinities are breaking down. This trend was perhaps most graphically illustrated when nearly one-third of primary votes cast in the 2016 Australian federal election were for nonmainstream parties. Australian voters have also demonstrated that they expect the government to provide a very high level of social welfare. If these two forces were to collide, then a rupture in Australian strategic culture cannot be entirely ruled out.

To be clear, it is unlikely that in the short to medium term there will be a significant change in Australian strategic policy. However, emerging trends suggest that even though the current policy has strong support, it rests on more fragile foundations than may at first appear to be the case.

⁴⁷ Alex Oliver, "The Lowy Institute Poll 2016: Understanding Australian Attitudes to the World," Lowy Institute for International Policy, June 2016, 7.

⁴⁸ Simon Jackman et al., "The Asian Research Network: Survey on America's Role in the Asia-Pacific," United States Studies Centre at the University of Sydney, June 2016.

Implications for the United States

The arguments put forward in this report have a number of implications for U.S. policymakers. Australia's strategic culture and the particular ways in which it has sought to manage its anxieties are likely to ensure that Australia will remain a strong and reliable alliance partner. It is likely to continue to be a capable military force, although present trends raise questions about the country's political capacity to match its ambition to contribute more to the U.S. vision for Asia's regional order. In particular, Canberra's ability to pay for the kind of military commitments that Washington may expect is open to question, and U.S. policymakers would do well to encourage Australian political leaders to deliver on their rhetoric.

Second, U.S. policymakers can make further use of strong Australian support for the maintenance of the current strategic order in Asia. Whether this is in the form of broadening out the security function of the East Asia Summit or increasing the activity of the ASEAN Defence Ministers' Meeting-Plus process, in Australia the United States has a partner with whom it can work to strengthen the political foundations of the current strategic order.

Third, Australia's defense policy is shaped by a deep-seated sense of insecurity and anxiety. This shapes the country's underlying outlook and approach to the alliance and the use of force more broadly. This factor should be included in calculations that Washington's alliance managers make when determining the relative burden-sharing obligations of the respective parties. Given that Asia is likely to be more unstable in the future, and thus prompt Australian anxieties, Washington is likely to have a stronger hand in alliance management negotiations than it may realize.

Finally, U.S. policymakers need to watch developments in Australia closely. Although the alliance is long and enduring, resting on cultural foundations as well as shared interests, it should not be taken for granted. There are clearly indications, small but visible nonetheless, that a noticeable gap is opening up between the views of the strategic policy elite and those in the wider community. There are two steps that U.S. policymakers can take in this regard. The first is to spend more time outside Canberra meeting with a broader spectrum of Australian society than the strategic policy elite. When doing so, they should not only seek to understand the wide range of views about Australia's international policy that exists in the country but also take steps to explain all the benefits that accrue to Australia and the region from the alliance relationship. Second, U.S. policymakers should encourage Australian politicians to get out and explain their country's defense policy much more actively. The country's leaders need to present a vision that is honest and inspiring so that the ideas that animate Australian strategic culture can have a more robust foundation in Australian society.



Seattle and Washington, D.C.

1414 NE 42ND STREET, SUITE 300
SEATTLE, WASHINGTON 98105 USA
PHONE 206-632-7370, FAX 206-632-7487

1819 L STREET NW, NINTH FLOOR
WASHINGTON, D.C. 20036 USA
PHONE 202-347-9767, FAX 202-347-9766

NBR@NBR.ORG, WWW.NBR.ORG