Our Changing Future

The Iraq war has broad implications for Australian defence policy, says **Peter Layton**

he war in Iraq grinds on, progressively changing some of the underlying factors that bind and shape Australian defence and security policy. The end of the conflict is not yet evident, but so far the war has led to some 1,000 American deaths and 4,500 casualties, the cost has passed US\$125 billion, the international standing of the US has slumped, relations with many allies have become problematical and over 120,000 US troops are now stationed to Iraq apparently for an indefinite period.1 Moreover, on the US home front public support for the war, a crucial factor in a democracy, is declining. In March 2003 69% of the American public believed that the war was the 'right thing', by mid-July 2004 only 45% still considered this, even more worryingly 54% now considering the war a mistake.2 The Iraq war in imposing high political, diplomatic, economic and defence costs is acting as a literal and figurative constraint on the US undertaking similar interventions, probably for at least the remainder of this decade and possibly well beyond.

The US body politic is perceptibly moving from Michael Ignatieff's vision of an 'Empire Lite' where the US as the unipolar power of the contemporary international system intervened deeply across the world, to that of a US with a more discriminating and prudent stance, sceptical and wary of unnecessary entanglements and entrapments in foreign wars and other's problems. This article looks at the impact on Australia of this changed US stance, and suggests some adjustments in Australia's approach to international affairs and security to reflect this new reality.

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Where could we be going to?

International affairs in the post-Cold War world have proven dynamic and sometimes perplexing. However, there are some long-term, deeply embedded structural characteristics that can give useful insights into the future evolution of international relations as US interest in, and capacity for, deep and frequent global involvement weakens. Australian security and foreign policies may need to be adjusted to stay in step with the changed international order emerging in the wake of the Iraq War.

The Howard government recently articulated that Australia's national interest goals are achieving security and prosperity. International security is largely shaped by the type of involvement in the international system the US chooses, for the nation has overwhelming military power. Individually, the United States leads the world in defence spending, accounting for 47%, followed by Japan with 5%, and Britain, France and China, each with 4%.3 In achieving prosperity, the outstanding feature of world political economy for some 50 years has been the progressive international economic

Figure 1: Scenario matrix alternative future descriptions

Committee Management Alternative Future

G8 runs world for developed nations' enlightened self-interest; UN rubber stamps their decisions. US first among equals with consensus leadership.

- 1. Very few interstate wars as only occur when forced on unenthusiastic security community. Possbility exists of major recognised interstate problems emerging unchecked and being met late.
- 2. Transnational non-state actor crime/terrorism countered by ready multilateral cooperation. Nationbuilding by diverse coalitions fashionable. Australia may be called upon by G7 to lead coalitions in nearer region/South West Pacific.
- 3. Intervention by coalitions led by a developed nation but sometimes ineffectually with variable outcomes. Advanced technology used as armed forces small everywhere, making peace keeping deployments too short term.
- 4. Economically wealthy world although need to build consensus retards rapid trade liberalisation. Foreign aid, FDI, subsisides favoured in helping less developed world. 5. Medium global market and strong global community. Entrepreneurial market-states seeking absolute gains.

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Home Alone Alternative Future

Poly-polar work of ineffectual UN and international norms. Globalisation break down causing 'every man for himself' zero-sum game security and economy

- 1. Distinct possibility of regional interstate war.
- 2. Australia must act to prevent adversary bases being developed close to Australia through military or other
- 3. Great autonomy, but need for self-reliance with weak alliances. Outcomes of interstate wars variable.
- 4. Widespread WMD proliferation.
- 5. Mercantilism rampant with states seeking relative economic gains vis-a-vis other states.
- 6. Subtantial financial outflows across region and collapsing standard of living in some regional nations. Instability in some states with extremist groups emerging.
- 7. Australia has opportunity to forge closer links with nearer region and SWP through acting as local region leader, banker and economic supporter, and/or defence

GLOBAL MARKET

Degree of globalisation and economic Interdependence

of US involvement in the world

Degree (

BREAK DOWN

Virtual Empire Alternative Future

Uni-polar world with US in charge, the UN generally endorses US decisions and there is deepening globalisation.

- 1. Occasional interstate wars to maintain US hegemony. Allied involvement political and is not essential for military victories in short hi-tech wars. Outcome of interstate wars predetermined by US dominance. Allies favoured for postwar clear up with some UN involvement.
- 2. Transnational non-state actor crime/terrorism rising due to increasing globalisation but preventive multi-lateral cooperation problematical. Less US interest in long-term nation-building to fix hostile non-state actor problems than in attacking symptoms.
- 3. US expects allied help globally. Australia perceived by US as responsible for South West Pacific. US has hegemonic incentives to help Australia with security problems.
- 4. Economically wealthy world with occasional trade and financial crises managed mostly through Washington consensus. Trade managed to favour US, EU and Japan but continuing liberalisation. Entrepreneurial marketstates seeking absolute gains.
- 5. Strong global market with global community developing slowing.

Cold War Redux Alternative Future

Breaking down of globalisation but not necessarily further fragmentation of regions or of old alliances. Several great powers with Cold War type UN.

- 1. Closed regional trading bloc forming as globalisation breaks down. These blocs include military aspects. Regional economic hegemons manage their regions to achieve relative gains vis-a-vis other regions.
- 2. Alliances used to balance against threats.
- 3. Rising China significant issue; some nations forming military alliances with China.
- 4. Australia has opportunities to forge new alliances with regional nations, China or Japan. Or to deepen US alliance. May need to make very hard choices about who to align
- 5. Australia responsible for preventing the development of military bases close to Australia.
- 6. Coalitions with US dominant, emphasis on hi-tech warfare making outcome of interstate wars seemingly predetermined. Post-war of little interest so adversaries may come back, surprisingly quickly.

7. Some WMD proliferation.

DEEP & FREQUENT

integration of states that has deepened into a broad globalisation process. Deep economic interdependence has become a prominent feature of the contemporary era.⁴ Combining these two variables of US involvement in international affairs and the globalisation process, a matrix can be developed that encompasses four alternative possible future worlds, termed Committee Management, Home Alone, Virtual Empire and Cold War Redux, described and illustrated in Figure 1.

The extremes noted in the matrix are not viewed as likely outcomes, rather they are deliberately chosen to explore the issues between them, giving this matrix some longer-term durability. When the perspectives of the world observed in recent Department of Defence and Department of Foreign Affairs and Trade's (DFAT) white papers and Defence updates are mapped onto the matrix, these appreciations of international relations taken over the last 15 years remain within the matrix's bounds. This is diagrammatically illustrated in Figure 2 and indicates that the matrix provides a robust understanding of how international conditions may evolve given changes in US foreign

policies caused by the continuing deep and difficult engagement in Iraq.

The 1987 Defence white paper assessed that Australia's security ultimately depended on the superpower balance, and that the US expected Australia to adopt a self-reliant defence posture. The 1994 Defence white paper observed a newly fluid and complex post-Cold War world characterised by shifting relationships between the major regional powers, Asian economic and political changes, and a US unwilling to seek or accept the primary responsibility for regional security. The 1997 DFAT white paper considered that the most profound influence on Australian foreign policy was globalisation, and that the relationships with China, the US, Japan and Indonesia were key to regional security. The 2000 Defence white paper contemplated an international environment now fashioned by US primacy, global acceptance of this, deepening globalisation, and the rising importance of the UN and of China. In 2003, the DFAT white paper and Defence update held important US dominance of the international system, the acceptance by the US of an activist global security

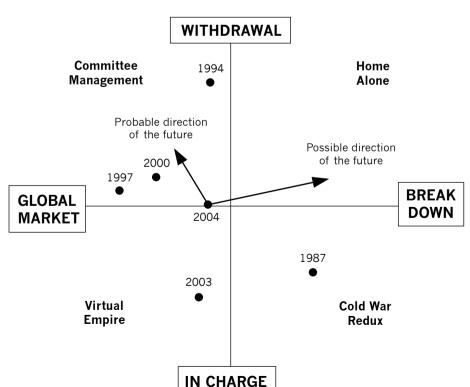


Figure 2: Australian Government perspectives mapped onto the Figure 1 matrix

role, and the improved stability of major power relations. Now in 2004, the world is changing again as the US moves towards reduced global intervention while globalisation continues, albeit with some detractors and concerns over bilateral trade agreements.

With the US position in international affairs shifting towards a more limited involvement in international affairs, the world in the nearer term seems moving towards the Committee Management alternative future. Like all the possible future worlds, this alternative future has both attractive and unattractive general features, as noted in Figure 1.

Bandwagoning may be less useful if US international involvement becomes more circumspect and restrained, and US interest diminishes in using armed forces.

Of some concern, if the US continues this trend and the process of globalisation also broke down, is that the unattractive Home Alone alternative becomes a possibility. A breakdown in the globalisation process appears improbable, although a sharp economic downturn could cause states to turn mercantilist sharply weakening economic interdependence; early indicators of this could include growing problems accessing Middle East oil supplies or financial markets finding problematical funding the rising US fiscal deficits. The broad international diplomatic, defence and trade policies Australia pursues need to support moving towards the relatively more appealing Committee Management world, while avoiding reinforcing any tendencies towards the more stressful, difficult and demanding Home Alone future.

So what?

The implications for Australia of a diminishing of the US desire and enthusiasm for an activist global leadership role are significant. Australia, together with several other US allies, has adopted the alliance strategy of bandwagoning, seeking rewards and favours, and the avoidance of punishments, through closely embracing US foreign policies.

The UK has successfully used this approach to gain greater access and influence on US international policies then it might otherwise have; in contemporary Australia the Howard government has similarly used it to great effect for both influence and rewards, with the recent Free Trade Agreement in the opinion of the US Ambassador partly a dividend of Australian involvement in the Iraq War.5 However, bandwagoning may be less useful if US international involvement becomes more circumspect and restrained, and US interest diminishes in using armed forces, especially land forces, as instruments to achieve policy objectives.

Allies may need to become more self-reliant, at least in terms of combat forces, as the US has become heavily committed in distant theatres. About 60% of the US Army is deployed offshore, with about half of these in Iraq and Afghanistan.6 Moreover, expressing concerns echoed by several other retired US Generals, retired Army Lt. Gen. Jay M. Garner, the first administrator in postwar Iraq, warns that: 'the Army is in terrible shape . . . people are worn out, equipment is run down and we've overstressed the reserves. We're drastically short [of] infantry . . . '7

A war also has a profound effect on the society that wages it, with the more extensive the involvement, the greater the strain on the society.8 While the conflict in Iraq is very different to that of the Vietnam War,9 the 24 percentage point decline in public support (noted previously) took more than three years to occur during the earlier war. In the case of the Iraq occupation, this decline has only taken just over a year.¹⁰ Militarily the US may recover quickly from its involvement in Iraq when the Army and Marines return home and are reconstituted but, as after the Vietnam War, domestic memories and self-imposed constraints activated by the conflict may shackle the nation for an indefinite period.

In the emerging international order mapped out in the Figure 1 matrix though there may be less need for the more-traditional armed forces, as the deepening forces of globalisation and economic interdependence appear set to reinforce the 50 year trend towards diminishing inter-state conflict.11 However, in the evolving international system those forces that make inter-state wars less frequent or likely also act to make hostile transnational non-state actors major international security concerns. Al-Qaeda's actions over recent years highlight that non-state actors can now pose serious and significant security threats and, as the group developed and was originally based in Afghanistan, the dangers presented to the world community in ignoring weak and failing states.

The non-state actor threat is not transitory, but rather endemic in a globalised international system where there are failing states with territory outside the effective policing by the national government able to be used by transnational large-scale criminal and terrorist groups. Both types of groups can adversely impact human security, causing global society considerable distress, and in becoming interlinked able to threaten states. Criminal groups are becoming increasingly unified with terrorist groups with profits from criminal activities, especially drug trafficking, being increasingly diverted to support terrorist activities as well as being used to damage the economies of developing states and subvert economic reform. Illustrating the links between transnational criminality, failing states and terrorism, al-Qaeda acquired substantial revenues from illegal trafficking in diamonds obtained from West African states experiencing severe internal conflict. Summing up the situation, the latest US National Security Strategy observes the nation: '... . is now threatened less by conquering states than we are by failing ones'.12

In this future, elaborated in the Figure 1 matrix, Australia would need to alter the balance of defence and security investment and activities away from the less probable inter-state threats towards addressing the now more pressing and enduring transnational non-state actor threats. If the parts of a state where a government's writ does not extend are the potential breeding ground of criminal and terrorist groups, then governments must be created that can govern all of their territory, and for this the state's citizens must recognise their reformed national government as legitimate and worthy of their allegiance. Foreign assistance to a failing state to achieve this objective would not necessarily be primarily military, but rather involve a careful blend of diplomatic, political, economic and security efforts.

The nation-building type of activities Australian defence forces may be involved in assisting failing states in the Committee Management alternative

world is not a forced entry with a significant proportion of the population contesting the occupation, such as Iraq, or growing to contest the deployed forces such as Somalia. Instead, conditions are envisaged to be similar to Cambodia, Bougainville, East Timor and the Solomon Islands where a mostly supportive population was encountered. The Australian Defence Force capabilities that would be useful would generally be those security, security-support, civil engineering and medical force elements able to be readily deployed and sustained by sea and air. The Director of the Australian Strategic Policy Institute considers a third force, 'firm power', lying between the soft power of aid and the hard power of armed force would best meet the problems of the immediate neighbourhood of South West Pacific.13

In self-interestedly helping weak and failing states to better govern their territory, Australia could find itself working frequently as part of UN-led operations involving diverse allies, friends and partners. The impact of Iraq may make the US reluctant to lead 'coalitions of the willing' operations for some time. Australian defence forces could need to be able to operate and cooperate with the armed forces of nations other than the US.

Beyond the clear and present dangers from hostile transnational non-state actors, lies the longer term dangers presented by a small number of minor states with aspirations to regional hegemony through building large armed forces, acquiring weapons of mass destruction, or spreading a hostile militant ideology. If the US now becomes more cautious in imposing regime by military force, the alternative of containment becomes attractive and a more useful task for conventional military forces. In the longer term, containment is probably more efficacious then invasion but does require a cooperative, collaborative approach by the world community both to isolate diplomatically, economically and militarily recalcitrant states, and to work together to encourage these states to change. A multilateral 'stick and carrot' approach is needed for durable solutions to the challenges to world order posed by problematic states.

In the different world of a more restrained America, and multilateral support for failing states and containment strategies, a broadening of security relationships to include multiple countries has appeal. Reliance on a single alliance for defence assistance, such as the specific case of Australia and ANZUS, may be less efficacious in the emerging future, and possibly somewhat fragile. Singapore's multiple, deep and close relationships established with Australia, New Zealand, Taiwan, the US, France and recently India provides a regional example of the breadth, depth and diversity possible in international relationships. Thailand provides another example in having friendly and positive formal security relationships with both China and the US, in conjunction with the long-standing Treaty of Amity and Cooperation with other ASEAN states.

In this anticipated future, defence alliances would be just one of many links joining states globally, with the deeper and more diverse the links established, the more robust, stable and peaceful the interstate relationships. Such broadening, while prudent in a multi-polar world, helps nudge the international system towards a future of peaceful interlocking mutually beneficial relationships between states rather than a future of reciprocated suspicions and fears.

In such an alternative future, Australia's relationship with the US can be more equal than previously for while underlying national power differences remain, there would now be noticeable differences in the degree both countries wish to be involved in the region close to Australia. Australia has limited hard power but serious regional interests, while the US will retain overwhelming military and economic power into the future but few compelling reasons to apply this power in Australia's nearer region. These differences may make Australia and the US more equal partners than at first apparent in the specific circumstance of issues directly involving Australia's immediate neighborhood. However, such a change in the relationship's balance implies a need for an Australian defence force capable of independent action.

Irrespective of one's position on the Iraq War, the conflict has had a tangible impact on the US and how the nation conducts itself in world affairs. Australia's foreign and defence policies will need to change to reflect the waning enthusiasm in the US for a historically unusually activist interventionist approach to international relations.

Endnotes

- 1 Data obtained from GlobalSecurity.Org website at www.globalsecurity.org/military/ops/iraq_reconstruction.htm, [accessed 31 July 2004].
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