Chapter 6

The 'Arc of Instability': The History of an Idea

Graeme Dobell

It is extremely important to us as Australians that we appreciate that we cannot afford to have failing states in our region. The so-called arc of instability, which basically goes from East Timor through to the south-west Pacific states, means not only that Australia does have a responsibility to prevent humanitarian disaster and assist with humanitarian and disaster relief but also that we cannot allow any of these countries to become havens for transnational crime or indeed havens for terrorism ... Australia has a responsibility in protecting our own interests and values to support the defence and protection of the interests and values of these countries in our region.

Brendan Nelson
Defence Minister¹

The reason why we need a bigger Australian Army is self evident. This country faces on-going and in my opinion increasing instances of destabilised and failing states in our own region. I believe in the next 10 to 20 years Australia will face a number of situations the equivalent of or potentially more challenging than the Solomon Islands and East Timor.

John Howard,
Prime Minister²

Not enough jobs is leading to poverty, unhappiness, and it results in crime, violence and instability. In the Pacific, this could lead to a lost generation of young people.

Alexander Downer
Foreign Affairs Minister³

What's sometimes called the 'arc of instability' may well become the 'arc of chaos'. We've seen in the Solomon Islands and elsewhere evidence of what happens when young people do not have opportunities, don't have a sense of hope for their own future.

Bob Sercombe
Opposition spokesman for
Pacific Island Affairs⁴

The arc of instability to our north a decade ago was an academic notion. Now it is a security policy reality. From the Solomon Islands across Melanesia to East Timor. And within this arc of instability, Australia's strategic and economic influence relative to other external powers is declining.

Kevin Rudd
Opposition Foreign Affairs spokesman⁵

My father has the rare distinction of having taken part in opposed landings at both the eastern and western ends of the 'arc of instability'.⁶ Lance Corporal Bob Dobell of 2/3 Pioneer Battalion went ashore as part of the 9th Division landings in Lae and Finschhafen, at the eastern end of the arc, and at Tarakan in the west.

I date the Australian thinking that produces a phrase like 'the arc' from the Second World War experience of that geography. Prior to that war, Australia could look around its shores using European or Western eyes. Looking beyond its shores, Australia could see neighbours run by Britain, Germany, France, Portugal, the Netherlands and the United States. From the moment Singapore fell, that European understanding was doomed, and Australia had to think about the arc in new ways.

This brings us to the first issue: how best to define the 'arc of instability'. The easy answer is that the phrase was starting to be used in Australia at the end of the last decade, as the 1997–98 Asian financial crisis led to the fall of Suharto in 1998 and then the conflagration in East Timor in 1999. Certainly, by 1999, the phrase 'arc of instability' was being used widely in the strategic community.

The conceptual basis for the 'arc of instability', though, is to be found in more than 60 years of defence thinking. The arc is the latest product of an intellectual process that stretches back to Australia's moment of truth in the twentieth century—the national trauma and existential struggle involved in the fall of Singapore, the attacks on Darwin (the Japanese sent as many planes as they did to Pearl Harbor), the battle of the Coral Sea and the fight for New Guinea.

As Coral Bell has observed, that patch of history has 'haunted Australian strategic inquiry ever since.'⁷ Certainly, it explains much about both sides of Australian politics and the remarkable history of consensus—apart from Vietnam—over Australia's role in the region. It helps explain why the Australian Labor Party has some different military reflexes compared to the Social Democrat parties of Europe or New Zealand Labour. It was John Curtin—advocate of a negotiated people's peace and anti-conscription campaigner in the First World War—who forced Labor in the Second World War to accept that militia forces should be deployed in the Southwest Pacific to defend Australia: 'The defence of Australia is not confined to its territorial limits. Provided adequate forces are available, it can best be secured by denying to the enemy the outer screen of islands from which attack can be launched on the mainland.'⁸ For John Curtin, the arc was the outer screen of islands.

Using that 60 year timeline, though, the actual definition of the geography we are describing seems to shift and fade a bit—somewhat like the old joke about the Economics Exam: the questions stayed exactly the same for decades, but the correct answers kept changing. It would be interesting for a psychologist to consider why the hard-edged strategic realists suddenly become extremely polite and somewhat vague when talking about our surrounding geography.

We have an extensive range of euphemisms. The 'region' is a handy standby, as is the 'Southwest Pacific'. The Australian military likes to use the 'inner arc'. Sir Arthur Tange often referred to the 'archipelagic environment'. There is, of course, the sea-air gap—you have sea and air, but to have a gap there must be something on the other side. Chief of the Australian Army Lieutenant General Peter Leahy therefore prefers the idea of a sea-air bridge in what he calls the littoral environment. There is the area of 'direct military interest'. In his 1986 *Review of Australia's Defence Capabilities*, Paul Dibb did name Indonesia, but his key sentence was more polite: 'Because of its proximity, the archipelago to our north is the area from or through which a military threat to Australia could most easily be posed.'⁹

For the purposes of this discussion, let me offer you a definition of the 'arc of instability' based on that Dibb Review, which marked its twentieth anniversary in March 2006. Dibb defined the area of direct military interest—where Australia would seek to exert independent military power. On its east-west axis, it stretched 4000 nautical miles from the Cocos Islands in the Indian Ocean to New Zealand and the islands of the Southwest Pacific in the east. On the other north-south axis, the area started in the Southern Ocean and stretched 3000 nautical miles to encompass the 'archipelago and island chain in the north'. This represented about 10 per cent of the earth's surface.¹⁰

In defining this geography, Dibb drew on a rich lode of Defence Department thinking from the previous two decades. Look, for instance, at the *Strategic Basis*

document adopted by the Australian Cabinet in November 1964, with its discussion of the need to hold Southeast Asia against communist expansion, to deal with Indonesia's 'aggressive policy', the need for Australia to be able to supply military forces in Malaysia, South Vietnam and Thailand, and to deal with the danger of covert Indonesian activity against PNG.¹¹

Consider the Defence Department's 1971 paper on the *Environment of Future Australian Military Operations*. It stated that the focus of Australian operations beyond the mainland would be the maritime and archipelagic environment stretching from Sumatra and the Malay Peninsula through Indonesia and New Guinea to the islands of the Southwest Pacific. Contingency planning should cover the possibility of conflict with Indonesia or of maritime power attacking through Indonesia.¹²

Paul Dibb was thus speaking to two sides of the same strategic coin when in the early 1990s he envisioned Australia trying to create a 'strategic shield of ASEAN countries to our north', and by 1999 seeing the other side—an 'arc of instability' extending from Indonesia to PNG and into the South Pacific.¹³ In both usages, Indonesia is central.

When first used, at the end of the 1990s, the 'arc of instability' was a euphemism for Indonesia. As used by our politicians today, the arc has moved or morphed. Now it starts in East Timor and is really a Melanesian arc. Of course, the next point the arc touches as it sweeps east from Timor is Irian Jaya (or West Papua). One of the essential elements to keep in view when thinking about the arc is that Australia has given explicit security guarantees to two unstable countries that border Indonesia—East Timor and PNG. Ultimately, the proper management of the arc needs a favourable or at least stable Australia–Indonesia relationship; that is, I suppose, a statement of the obvious for anyone who looks at how Australia has acted in the arc over these 60 years.

To think properly about the 'arc of instability', we need to divide it in two—the ASEAN and the Melanesian sides. In one half lies the Indonesian archipelago stretching to Singapore and Malaysia (where Australia is committed under the Five Power Defence Arrangements). The growing Australian military and police contacts with the Philippines complete the geographic scope of this ASEAN branch of the arc. The only symmetry between the two halves of the arc is that each has a country that is central to Australian concerns and colours Canberra's dealings with the rest of the region—on the ASEAN side it is Indonesia; on the Melanesian side it is PNG.

In the ASEAN branch of the arc, Australia can only bargain and negotiate for its interests. Part of the problem for Australia, as regards the ASEAN half of the arc, is encapsulated by Henry Kissinger's question about Europe years ago: Whom do I call if I want to talk about Europe's position on defence or foreign policy? Despite years of discussion and a large mound of declarations and

agreements, ASEAN has taken only a few steps towards its declared intention of creating a Security Community by 2020. ASEAN reaches its fortieth anniversary in 2007; yet it was only in 2006 that the ASEAN Defence Ministers gathered for their first formal discussion.

ASEAN's security achievement has been to avert the likelihood of conflict between its members—to act as a confidence-building mechanism to reassure members about the intentions of neighbouring states. But the crisis that hit East Timor in 1999 and the repeat version in May 2006 revealed ASEAN's limitations. As Dili toppled over into violence in 2006, East Timor could expect no concerted help from ASEAN. Dili made direct calls for assistance to four countries—Australia, New Zealand, Portugal and one ASEAN member (Malaysia).

The equation is different on the Melanesian side of the arc. Australia has shown its willingness and ability to impose its will—by force, if necessary. In fact, as far back as December 1989, Gareth Evans defined the conditions under which Australia would intervene militarily in the South Pacific. Evans denied the creation of what he called 'an Antipodean Brezhnev Doctrine', but in the manner of such diplomatic denials, he was really hinting at Australia's view of its perceived capabilities.¹⁴ The assertive Australian stance in the arc since 2003 is supported by both sides of Australian politics.

The Melanesian arc starts in East Timor and then takes in Irian Jaya, PNG (with quite probably an independent Bougainville in the next decade, under the terms of the current agreement), Nauru (a bankrupt micro-state with Melanesian-style problems), Solomon Islands, Vanuatu and Fiji. For these purposes, let us exclude New Caledonia from the arc, based on the hope that the glory of France will mean the avalanche of French money keeps being unloaded from each aircraft that lands in Noumea.

In days gone by, New Zealand and Polynesia would sometimes complain about Australia's 'dark' view of the Pacific. The criticism has not been made as much since the Regional Assistance Mission to Solomon Islands (RAMSI), but the central reason for that pessimism still pulses in Canberra. Australia often views the Pacific through the PNG lens. And it can be a dark glass, as evidenced by John Howard's recent remark that he views PNG as 'inherently unstable'.¹⁵

Australian official language about PNG is becoming as explicit as it can be about the danger of economic and social disintegration, pointing to the need to 'overcome major constraints to stability and growth'. PNG is in danger of losing whatever gains it has made on health and education since independence because Port Moresby is unable to support all the programs in its own budget. Alexander Downer commented that the 'most dramatic decline in PNG' has been in the quality of governance: 'The fundamental weakness of governance undermines investment by government, private sector and development cooperation partners, threatening both prosperity and stability.'¹⁶

Australia's fears about a breakdown of order in Melanesia and broader concerns about South Pacific stability have driven a significant re-weighting of the aid budget towards governance and law and order. The Australian aid budget for 2004–2005 gave about 33 per cent of the Official Development Assistance to 'governance' projects. This was more than a doubling from 1999–2000 when governance received 15 per cent of the Official Development Assistance.

Australia proclaims a more robust approach to the Pacific based on the belief that previous Howard Government interventions have worked. Yet, when talking to Canberra policymakers, it is striking how this assertiveness is linked to a sense of Australian failure. If the region is in gradual decline, then what does that say about Australia's role as the regional leader?

The language of robust policy and urgent action is driven by the fear of what is going wrong in the Pacific. That dualism erupted when the Secretaries of key Australian departments met in Canberra at the end of 2000 to approve a whole-of-government review of policy on the Pacific. The review had been ordered after the twin shocks of the coups in Fiji and Solomon Islands. The draft report was a status quo document, reflecting the then dominant 'stand ready' view of the Department of Foreign Affairs and Trade (DFAT); that Australia should be content to intelligently manage trouble and avoid responsibility for whatever went wrong in the Pacific. The Secretary of DFAT, Ashton Calvert, was quizzed on how the review could conclude that past Australian policy on the Pacific was correct and should continue as before. One of the other Secretaries put the problem succinctly: 'How can we say our policies are working when Solomon Islands is turning to shit?' That line was immediately trumped by the head of the public service, the then Secretary of the Department of Prime Minister and Cabinet, Max Moore-Wilton, who stated: 'Not just Solomon Islands—our policies in the whole of the South Pacific are going to shit!'

A sense of failure and regional danger, as much as any feeling of Australian power, produced the policy reversal that created the regional intervention in Solomon Islands. Those differing emotions still drive much of Canberra's desperate search for firm ground in the Pacific.

The policy somersaults Australia has performed bring to mind an old line about the United Nations—the tragic paradox of the United Nations is that it became indispensable before it became effective. Equally, Australia has been forced to a new acceptance that it is indispensable in the Pacific. Now it has to find out how to become effective.

Australia has stopped talking about 'failing' or 'failed' states. Such terminology was not welcome in Solomon Islands and infuriated the Prime Minister of PNG, Sir Michael Somare. Instead, Canberra now uses the term 'fragile'. One can get a flavour of the discussion by reading the analytical paper

on the Pacific Island Countries published by AusAID in the preparations for the Australian Aid White Paper.

The analytical paper suggested that more than one-third of the Pacific Island Countries are weak or fragile—listing Solomon Islands, Tonga, Kiribati, Vanuatu, Fiji and Nauru.¹⁷ Ron Duncan and James Gilling started their analysis by noting that Australia has both humanitarian and strategic interests in the Pacific. But these interests are put at risk by weak Pacific states where health is deteriorating, and where poverty is on the rise, accompanied by 'rocketing' youth unemployment and rapid urbanisation:

The key problem for the Pacific Island Countries is that they have not taken control of the factors that will determine their fate. Their political governance is weak. Policies are not credible. Political systems have in-built instability. Public sectors are mostly too large and inefficient, often due to support from aid inflows. There is minimal accountability and high levels of corruption.¹⁸

That, as my old football coach would say, is 'a beaut backhander-and-a-half'.

The key phrase in the background paper, which finds its way into the recommendations of the White Paper Core Group (*Core Group Recommendations Report for a White Paper on Australia's aid program*), is that 'aid and emigration opportunities are probably all that stand in the way of a more serious breakdown of state legitimacy and capacity in the region'. Consider that proposition: aid and emigration are all that is holding back the 'doomsday scenario'. And then reflect that Melanesia has only aid to stave off this more serious breakdown, because it has no emigration opportunities. The White Paper Core Group recommended two things:

1. Skills training for Pacific Islanders so they can migrate to Australia.
2. Open a 'Pacific window' for unskilled migration, either temporary or permanent.

We suggest that the Government should consider developing a Pacific unskilled migration window to facilitate migration, especially from Melanesia and the microstates. This would complement the recently announced skills training initiative, [the Pacific Technical College] and help achieve more quickly the same aim of promoting migration from the Pacific Islands. ... Migration would not be a panacea for the Pacific Islands, particularly for the larger Melanesian countries, and it would take some time for its impact to be felt, especially in PNG. However, the need is urgent given rapid population growth in the Pacific and the 'youth bulge' some islands are experiencing. Worldwide, much larger countries than PNG are being sustained on the back of migration, including the Philippines and Nepal. And for microstates such as Nauru,

Kiribati and Tuvalu, it is highly unlikely that these economies will be viable in the absence of migration opportunities.¹⁹

The Government's Aid White Paper (*White Paper on the Australian Government's Overseas Aid Program*), when it was issued in April 2006, endorsed the first idea: Australia would provide skills training for the Pacific Islanders to help labour mobility and migration. The Core recommendation about a 'Pacific window' for unskilled migration was dismissed using a strange formulation. The word 'unskilled' was not mentioned, more study was promised, but policy would not alter: 'Further analysis and research will be undertaken on the relationship between migration and development, especially in the Pacific. Australia's current policies on migration in this regard will not change.'²⁰

A translation of this bureaucratese might be: We know there is a growing problem, but we do not want to change policy, so our response is to keep researching that problem. An old Army line is that if you are not terrified out of your mind, it just shows that you do not fully understand the situation. Well—in Canberra—a lot of people understand the Melanesian facts and are feeling pretty terrified.

The 'arc of instability' is a useful term in Canberra, summing up a range of diplomatic, economic and geopolitical forces. The 'arc of instability' is descriptive rather than explanatory or analytical; it does not seem to have much utility when you are standing in one of the individual states it encompasses. What has changed for the people of Melanesia is the way they run their lives, particularly in the cities, in Port Moresby, Port Vila, Honiara or Suva. The middle class and the administrative and political elite in the Pacific know they have a set of problems that seem to be getting worse. The riots and destruction in Solomon Islands and Tonga in 2006 are tragic signs of the new reality confronting the Pacific. It could be called a 'barbed wire' reality.

The 'Barbed Wire' Reality

Barbed wire around the house and bars on the windows, to keep out the rascals, used to be middle class accessories found mainly in Port Moresby. The joke used to be that when the journalists went across from Port Moresby to Honiara to cover RAMSI, they would comment about how peaceful the Solomon Islands capital was compared to PNG. This is no longer the case.

Standing amid the ashes and ruins of Honiara's Chinatown after the riot in 2006 was to experience a profound sense of failure. RAMSI had failed, Australia had failed, and the region had failed, that such devastation could happen. But Solomons society also failed if it could impose such a trauma on itself. For anyone who has spent any time in the South Pacific, it was a visual and emotional shock to stand in the middle of Chinatown after the riot. The street at the commercial heart of Honiara was rubble and ashes for most of its length. This was not the

damage of a natural disaster—this cyclone was destruction visited on Honiara by its own people.

Australians looking at this ruin had to ask questions about the failure of intelligence and security that allowed the mob to run amok. Australia had to contemplate its policy lapses. The portents of failure for the rest of the Islands are more personal, more direct. Other governments throughout the Pacific had to look at the ashes in Solomon Islands—and later in the year in Tonga—and then turn a questioning eye on their own society.

The 'barbed wire' reality is no longer confined to Port Moresby. Personal security is an issue for the middle class elite of Melanesia. The people who run government, who teach or do business, now have to worry about the safety of their homes and the security of their families.

The Pacific still has strong societies and weak states, but the middle class can no longer be as confident in the social and religious conservatism that has underpinned Island stability. I am mainly talking about Melanesia, but the same security consciousness is starting to appear in parts of Polynesia.

Along with the barbed wire and the bars, we have seen the arrival of the 'free shopping day'. A 'free shopping day' is a polite way of describing riot, looting and arson. It happens in a Pacific capital when political planets get out of alignment and law and order breaks down. Such moments of madness occurred in Port Moresby during the Sandline crisis in 1997, in Suva in 2000 during the Parliament hostage crisis, in Honiara in April 2006, and in Nuku'alofa in November 2006. The riots and deaths in Dili in May 2006 followed the same pattern.

The 'free shopping day' in Honiara had elements of smooth organisation. The taxi would pull up outside the burning store; the lads would load in the bags of rice and whatever else they had looted, and then head home to drop off the goods before returning to continue the fun. We saw some of the same methods during the rioting in Suva in 2000. A 'free shopping day' happens when thousands of young men with no jobs and little future are hanging around a Melanesian capital.

Samuel Huntington's 'clash of civilisations' thesis ignored the South Pacific. But one part of Huntington's work should interest the region: his discussion of the political explosion that often accompanies a demographic explosion, with large numbers of unemployed young males acting as a natural source of instability. 'Young people are the protagonists of protest, instability, reform and revolution. Historically, the existence of a large cohort of young people has tended to coincide with such movements.'²¹ Huntington points to the impact of youth bulges in key moments of history from the Protestant Reformation to the young recruits to Fascism. His tipping point for when a youth bulge becomes

revolutionary is when those aged between 15 and 24 start to exceed 20 per cent of the total population.

Parts of Melanesia are heading towards this youth bulge threshold. PNG and Solomon Islands have 19 per cent of their total population between 15 and 24 years of age. Most Pacific countries have around 17 per cent of youths, as compared with Australia which has 9 per cent.²²

This youth bulge and lack of jobs are part of the explanation for the violent unrest that is becoming all too familiar in the 'arc of instability'. And quite a few people have taken the next logical step: Polynesia is quiet because its young workers can go overseas, Melanesia faces turmoil because its young workers have no jobs and no hope.

Professor Helen Ware talks persuasively about the 'stunning' shift of people to the cities in Melanesia and the need for emigration to provide a safety valve against urban warlordism:

Polynesian countries, in contrast to Melanesia, have been protected from civil conflict by high levels of emigration. Similarly, Kiribati and Tuvalu have achieved peace at home by sending many of their young men overseas to work as international seamen.

Civil conflict can be understood as involving both a supply of willing participants in violence and a demand for their services. The Pacific supply is found amongst groups of young men who can be as volatile as heaps of tinder ready to be ignited by a small spark. The demand is a more complex matter. Essentially all that is needed is a small group of leaders who expect to benefit from the conflict to make lighting the fire worthwhile. Often these leaders use the excuse of perceived ethnic and/or inter-island discrimination to motivate the young hotheads.²³

The *Core Group Recommendations Report for a White Paper on Australia's aid program* grappled with the same set of issues when discussing the problem of 'fragile states' in the South Pacific. The group argued that such states are prone to derailment, with factors ranging from instability and conflict to poor political leadership, weak governance and corruption:

The Melanesian islands of PNG, Vanuatu, Solomon Islands and Fiji appear to be particularly prone to instability. Analysts point to various factors to explain the high level of instability in Melanesia relative to Polynesia (Samoa, Tonga and Cook Islands). For example, Polynesia's much better access to developed labour markets and greater ethnic homogeneity, and Melanesia's weak governance and conflict over natural resources.²⁴

The ANU's Demography and Sociology Program has produced a paper on population pressures in PNG, the Pacific Island Economies and East Timor (Timor

Leste), using some fertility and net migration assumptions. The report points to the youth bulge creating

increasing numbers of long-term, unemployed and under-employed, and illegally employed youth ... the large numbers of under-employed youth have been linked to increasing social problems such as drug use, prostitution, crime, and suicide, and also provide one of the ingredients for social unrest. Hence, they become one of the factors behind the low levels of investment and job creation.²⁵

The study makes the familiar point that migration has a significant impact on population growth in countries such as Samoa, Tonga and Cook Islands. By contrast, the net migration figure for Melanesia—PNG, Solomons and Vanuatu—is tiny:

While there is the reasonable likelihood that Australia and New Zealand will put in place some form of temporary work permits for low-skilled and unskilled labour from these countries, the numbers involved will be small and there will remain limited opportunities for such labour to move on a permanent basis.²⁶

PNG, Solomon Islands, Vanuatu, Kiribati and Marshall Islands have relatively high fertility rates and low to very low levels of net migration. The ANU study says that unless the gradual decline in their fertility rates accelerates, they will continue to experience population growth rates in excess of 2 per cent. Extrapolating past fertility trends (i.e. a gradual decline in fertility) and assuming little net migration, Vanuatu's population will almost double from 215 800 in 2004, to 409 500 by 2029. In this scenario, Solomon Islands' population will increase from 461 000 to 806 400. Over the same period, PNG's population is set to expand from 5.7 million to 9.8 million.²⁷

Putting population and employment projections together, the report offers some estimates of the excess supply of labour that Melanesia will face in the future. Thus, PNG is projected to move from having a working age population of 3.1 million in 2004 to a working age population of 3.9 million by 2015; only 5.8 per cent of these workers are expected to be in formal sector employment in 2015, giving PNG 3.6 million workers outside formal employment. Solomon Islands goes from a working age population of 209 000 in 2004 to 312 000 by 2015; only 10.4 per cent are projected to be in formal sector employment in 2015, leaving 279 000 Solomon Islands workers outside the formal sector. Vanuatu is projected to go from 94 000 workers to 147 000 by 2015, with only 12 per cent in formal sector employment, leaving 129 000 workers outside the formal sector.

Certainly, many outside the formal sector will remain in the villages. But as the study notes:

Those countries with high fertility rates and low formal sector employment will generate the most excess labour and have the greatest demand for overseas employment. The high projected levels of excess supply of labour for the formal sector indicate the enormous challenge that the PNG and Pacific Island governments have in front of them.²⁸

Aside from the explicit conclusion about the need for migration as a Pacific safety valve, the Australian Government has replicated most of this academic work in its own recent publications. Pacific Governments can find most of the detailed evidence they need for a Pacific worker program in the *AusAID Core Group Recommendations Report for a White Paper on Australia's aid program* (December 2005), the *White Paper on the Australian Government's Overseas Aid Program* (April 2006) and *AusAID's Pacific 2020: Challenges and Opportunities for Growth* (May 2006).

Pacific 2020 presented three scenarios for the Pacific: Doomsday, Muddling On, and High Growth. Launching the study, Minister for Foreign Affairs Alexander Downer mused about the bleak future of the Pacific if it could not follow the growth path, and the danger of a lost generation of young people:

The report tells the simple but disturbing truth that per capita income in some Pacific Island Countries is no higher today than it was 20 years ago. Some countries have done a little better, but overall the region is being left behind. The report talks about 'doomsday' and 'muddling on' scenarios. This is not alarmist. Countries that are doing somewhat better than others are largely doing so because of aid and remittances. And no country has become wealthy that way.²⁹

The final sentence about no countries becoming wealthy through aid and remittances is the sort of caveat politicians and bureaucrats insert when they want to avoid the ultimate logic of the evidence they have presented. Australian policy does not allow for the unskilled workers of Melanesia to come in to earn remittances. Thus, the value of remittances must be praised with faint damns.

The 'Arc of Instability' and the Future of the US Alliance

Quagmire, fiasco or folly, Iraq is turning into a defining moment for US strategy and future military policy. The change in US military thinking caused by Iraq will impact on close American allies such as Australia. The shape of the post-Iraq future will become clearer after January 2009 when the United States swears in a new president.

The United States will confront a post-Iraq moment in 2009, with some similarities to the post-Vietnam War era that it entered after 1975. This is where the Vietnam analogy starts to matter for Australia: how will the United States rethink its military obligations and aims under a new president, as it confronts

the Iraq scars? Australia had to develop new thoughts about the alliance, defence policy and Australia's region after the Vietnam War. The Iraq effect will be similar. A United States less keen on global missions will, in turn, mean an Australia with a clearer regional focus.

The change in US military thinking after Vietnam was a key element in allowing Australia to turn its mind to defending the continent and the countries of the arc. The effect of Iraq on the United States is likely to have a similar clarifying or simplifying impact on the priority Australia is able to give to the 'arc of instability'.

The two constants—the two poles of Australian strategic thinking in the 60 years since the trauma of the Pacific war—have been the US alliance and what is happening in the countries of the arc. Sometimes these poles attract, sometimes they repel, but always they are fundamental. Thus, you have Peter Edwards writing that the External Affairs Department in the early 1960s sought a policy 'based on Australia's national interests in its immediate region and refined, not defined by alliance considerations'.³⁰

The tensions between alliance and region are at the heart of the theological debate that has been raging around Canberra this decade. Call it the argument between the regionalists and the globalists. The debate has been strongly driven by an Australian Army that decided it had been unfairly overshadowed by the RAN and RAAF in the post-Vietnam War settlement (Defence of Australia) and went in search of means to get back to the top table. The Army case is given eloquence and intellectual depth in the work of Michael Evans, who argues that Australia could not allow 'geographical determinism to create a paradox between its strategic theory and practice'. Evans said the 'defence of Australia' orthodoxy of the 1980s and 1990s 'overlooked the truth that geography can only ever be the grammar, not the logic, of strategy'. Ultimately, he said, Australia would always see its destiny in 'the global fate of Western civilisation', not a narrow definition of geographic interest.³¹

In Lieutenant General Peter Leahy's view, Australia had acquired its own 'Vietnam syndrome', restructuring almost exclusively for the defence of the continent, to avoid Asian entanglements. Leahy said this was a profound discontinuity with our traditional approach—'an expeditionary military culture that in turn supports a Grand Strategy built on an alliance with the dominant, liberal democratic force de jour'. In this explanation, the 'Army languished as a second tier force ... deemed to be a mere strategic goalkeeper' that only had to mop up the groups that traversed the sea-air gap. The pernicious effect, Leahy said, was to hollow out units, 'based on assurances from planners that we would have significant lead-time to mobilise like a nineteenth century force'. East Timor had set off the alarm bells and *Defence 2000* marked the start of the turn around.

Now the Army was on the march to the networked, hardened future, from being 'a light leg infantry towards a medium weight force'.³²

Some of that does not fit the facts. Australia did not suffer a Vietnam War syndrome—if anything the Australian Army prided itself on the military victory achieved by its task force in its limited area of operations.³³ Certainly there was no diplomatic version, because Australia maintained diplomatic relations with Vietnam, unlike the United States, which cut ties for two decades. The shift of the Army to the north of Australia decided on in the 1980s has been part of the reason we have been effective in East Timor. It is quite convenient, I suggest, to blame the planners and not the Army hierarchy for the inability to do basic things in East Timor in 1999 such as moving around water. I see no turning away from Asia in our leadership role in the Cambodia peace settlement, the creation of the Asia-Pacific Economic Cooperation (APEC) group and the ASEAN Regional Forum (ARF), or Paul Keating's conclusion of a security treaty with Jakarta in 1995 (a treaty-creation effort replicated by the Howard Government with the signing of the Agreement on Framework for Security Cooperation between Indonesia and Australia in November 2006).

Beyond these quibbles, though, the Army has won on basic grounds—what gets used gets rewarded, even if you do not accept all the Army's version of grand strategy. Prime Minister John Howard says his government has made a 'fundamental reassertion of the strategic importance of the Army—and indeed of the individual soldier—in Australia's strategic culture'.³⁴ The two extra battalions are a A\$10 billion affirmation of the Army's worth.³⁵ Now the Army confronts the deep, underlying headache—how to build real depth, or to put it directly, get the people to fill the holes. The cancer that has afflicted the Army is hollowing—leave aside the issue of whether that is a result of poor planning by the civilians or the military.

The Army's supporters, though, make much bigger claims for the meaning and direction of the changes. Brigadier Jim Wallace says we should be aiming to create a light armoured brigade, the equivalent of a US armoured cavalry regiment, 'able to conduct reconnaissance or flank protection for a heavier allied force'. On that vision, the next time the United States sends a division into invade, the Australians should be out guarding the left flank.³⁶ Greg Sheridan says that 'Howard and Bush have transformed the alliance from a predominantly regional affair to a truly global partnership'.³⁷

This is where it gets interesting, because if we really have moved from regional to global missions then the game has changed. I note, though, that even Wallace is cautious about the Army giving all its attention to the infantry-armour capabilities you need on the high-tech battlefield of this global partnership. Wallace says not everything the Army needs to patrol the left flank of a US division will 'automatically translate to the non-discretionary regional security

operations on which it will increasingly be employed'.³⁸ The key word here is *discretionary*. Iraq was discretionary, a war of choice, but the 'arc of instability' will be compulsory.

Prime Minister John Howard offers some support to both the globalists and the regionalists. He says that 'attempts to shoe-horn Australia's national security agenda into a form of geographic determinism are even less relevant than in the past'. Yet geography does not die, because in the same speech Howard noted: 'Clearly Australia's most immediate interests and responsibilities lie in Asia and the Pacific, for reasons of geography but also given the region's growing power and importance.'³⁹

While the Prime Minister may decry 'geographic determinism', it is worth restating why geographic discipline has been valuable to Australia, and will be again in the post-Iraq era. This determinism was imposed on Australia by a set of demands and needs:

- US demands on its allies for self-reliance after Vietnam;
- Self-respect—the need to show that Australia could defend its own continent;
- Geography placing a discipline on the wish lists that will always come from the Army, Navy and Air Force; and
- Regional demands on Australia from Southeast Asia and the South Pacific.

I look to the United States to resolve the argument between Australia's globalists and regionalists, by sharply reducing the demands for global missions. Political and policy trauma in the United States will turn Australia back to its region after Iraq, in the same way it did after Vietnam. The point about geographic determinism, after Vietnam, was that it responded to fundamental Australian needs and US demands.

The United States will swear in a new President in January 2009. The unilateralist, neo-conservative vision of the first Bush term has already been buried. The new President will read the last rites and the US military will start considering its options. The Democrats have already decided—'The war in Iraq is over, except for the dying.'⁴⁰ The Republicans will not be far behind. Lawrence Kaplan describes the growing anger of US military personnel towards their political leaders for sending them to fight with neither the strategy nor the means to win. He quoted a young Army officer in Iraq: 'We've been left holding the bag—and it is full of garbage.'⁴¹

The next US President will offer a foreign policy more cautious and realist than has already been forced on the Bush second term. For Australia, that is going to translate into new and even more powerful forms of the Nixon Guam doctrine ('defend yourselves') and the Weinberger doctrine. Caspar Weinberger unveiled this realist prescription, with all its post-Vietnam tones, after the 23 October 1983 bombing of the US barracks in Beirut in which 241 US Service

(mainly USMC) personnel died. The Secretary of Defense laid down these tests for sending US combat forces abroad:

- Commit only if vital interests are at stake;
- Commit with all the resources needed to win;
- Go in with clear political and military objectives;
- Be ready to change the commitment if the objectives change;
- Only take on commitments that have the support of the people and the Congress; and
- Send US forces only as a last resort.⁴²

Australia needs to examine the sort of changes that the Vietnam War syndrome forced on the United States in the years after 1975, and prepare accordingly. Our fundamental aim will be to preserve the alliance. We avoided any blame after Vietnam, even though we had been one of the prime movers. This time, we can argue that we did not urge, but merely followed. Yet there must be some alliance blowback, even if it is only as part of a general US review of the way it operates internationally. As Owen Harries noted, it is extremely dubious whether 'uncritical, loyal support for a bad, failed America policy' will enhance Australia's standing as an ally: 'A reputation for being dumb but loyal and eager is not one to be sought.'⁴³

US grand strategy in Asia will head for the seas at an even faster rate than it did in the years after Vietnam. The United States will aim to continue as the maritime power, while China can be the continental power. Northeast Asia will matter, Southeast Asia will be something to sail through, and the South Pacific will fall off the map for everybody except the US Commander Pacific Fleet.

A former US deputy Secretary of State, Richard Armitage, says America will leave responsibility for the South Pacific to Australia. Armitage, who retired as the number two man in the US State Department in February 2005, handed care of the South Pacific to Canberra with his normal jocular flourish:

I'll freely admit that no Americans understand the South Pacific. And we leave that to you. Be glad to help you in any way you see fit. But we just don't understand it. Perhaps it's a good thing we don't understand it—we keep our meddlesome hands off it and leave it to you.⁴⁴

A regional mission rather than a global partnership should change the way Australia thinks about some of its big-ticket defence purchases.

Kim Beazley defined one element of such a rethink when, as Opposition Leader, he promised that Labor would cancel the Navy project to buy two amphibious ships, designed to carry the Army to distant conflicts: 'The government's proposed massive amphibious ships are the sort of platform that would be needed to drag an armoured force across the Indian Ocean and lodge

on Africa's eastern shores.'⁴⁵ Instead, he said, Australia should buy three or four ships half the size, plus some fast catamarans, to run around the region.

The lesson to take from East Timor in 1999 was not how well it ended, but how dangerously it started. Consider for a moment what could have gone wrong as the first Australian ships headed into Dili, if that Indonesian submarine nosing around the fleet had not been pulled back. An Australia-Indonesia version of the *General Belgrano* incident would have sunk more than a submarine.⁴⁶

The key alliance point from East Timor in 1999 was that the United States did not want to act. The deputy Prime Minister, Tim Fischer, said the 'truth' was that Washington 'could not have been weaker in its initial response to Australia's request assistance with East Timor during September 1999'.⁴⁷ The first failure says as much about Australia confusion leading up to the crisis as it does about US lack of attention, but it is a failure that holds lessons for the future.

In the end, what the United States provided for East Timor was essential—logistics, transport and Naval assistance—and not the least contribution was the way Washington was able to lean on Jakarta to force Indonesia to accept an international intervention led by Australia. Yet Australian policymakers should always be reminded of two images from the epicentre of the crisis, in the days when failure was still a likely outcome. One image is that of US national security adviser Sandy Berger telling journalists that the United States had no more responsibility for solving East Timor than he did for cleaning the mess his daughter created in her own apartment. The other image is John Howard sitting in a radio studio, almost pleading over the airwaves for American 'boots on the ground' in Timor. That failed call for US troops ignored the Vietnam trauma and the lessons that should have been taken from US refusals to back Australia over Dutch New Guinea or the Confrontation.

If all that history is still considered inconclusive, then perhaps Australia should keep in mind the shock that hit the UK Thatcher Government when it found that the 'special relationship' didn't guarantee US support in the Falklands War. 'It is a frightening thing that our greatest ally is not wholly on our side', British Defence Secretary John Nott observed in the midst of the 1982 conflict.⁴⁸ The official British historian of the Falklands campaign Lawrence Freedman concluded that a close alliance and close personal relationships between political leaders are no guarantee of Washington's support in a conflict: 'The policies adopted by the United States are a product of shifting power balances within a particular administration as much as a product of any built-in ideological disposition.'⁴⁹ Alliance management will always matter for Australia, no matter how much time and effort Canberra devotes to the 'arc of instability'.

Let me end by shifting from high policy back to Lance Corporal Dobell, in that first landing at Lae. He was taken ashore by US sailors steering US landing

craft. That lesson will continue to matter. One other point, going ashore in Lae, my father had on his back the giant two-way radio he had used at El Alamein. Next to him was another soldier carrying the giant batteries. The radio worked a treat in the Western Desert, sending a signal for miles. In the humidity and jungle of New Guinea, that radio was unable to throw a signal 10 yards. The kit you want for global missions is not always the one you want in the 'arc of instability'.

ENDNOTES

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