

Senate Foreign Affairs, Defence and Trade Committee

Inquiry to the main economic and security challenges facing Papua New Guinea and the island states of the Southwest Pacific

Submission

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1. Many countries in the South Pacific face significant economic challenges, even if the situation is not universally grim across the region. A number also face security problems which can strain the limited coping capacities of Pacific governments. These problems do not necessarily threaten the survival of Pacific countries which are often more resilient than some commentators would suggest. But these difficulties are often of a chronic and ongoing nature, slowly eroding standards of living, investor confidence and the reputations of Pacific governments. Even so, the resulting internal problems within Pacific countries rarely challenge Australia's central strategic interests (which include the maintenance of a favourable military balance in the closer region).

2. Australia is the major power in the Pacific and by far the largest and wealthiest member of the Pacific Islands Forum. During much of the Cold War (and following memories of Japan's penetration into the Pacific during the Second World War) Australia tended to act as a provider of interstate security in the Pacific, hoping and helping to keep the region safe from unwanted external influence. This somewhat self-appointed role has continued in recent years: the 2000 Defence White Paper, for example, asserts that Australia could be expected to support Southwest Pacific governments if they faced 'substantial external aggression'. But as several crises of domestic order within the Pacific have occurred over the last two decades, Australia has increasingly (although not continually) been involved as a provider of internal security including the current and recent deployments in Solomon Islands, Tonga, and Bougainville. In combination these external and internal commitments have reflected Australia's role a principal provider of security in a Pacific region populated by countries with limited capacities to project coercive power externally or internally.

3. Recent concerns about failed states and internal conflict have reinforced the recurring (although again not always consistent) tendency amongst Canberra's policy-makers to regard Australia as a key provider of public security goods in the Pacific. Some of Australia's friends and partners have encouraged this tendency: the United States, for example, has delegated to Canberra responsibility for security in Australia's Pacific

neighbourhood. In the case of Australia's policy towards Papua New Guinea, there is the added weight of this country's sense of post-colonial responsibility. When crises in Solomon Islands, Fiji and East Timor have come, Australia has often regarded itself (and is encouraged to do so by others) as the lead responder. The logic of 'if we don't do it, nobody will' all too easily applies (although there is a significant sharing of this role with New Zealand, historically in the Polynesian part of the Pacific, but increasingly in Melanesia as well).

4. Australia's main challenge in the way it deals with economic and security problems in Papua New Guinea and the Southwest Pacific is not in selecting the right strategy to address them. It is not about finding the right mix of aid projects or the correct amount of development assistance. It is not about whether progress in education or health in Pacific countries should be the biggest priority. Neither is it about whether the Australian Defence Force or the Australian Federal Police will make the best peacekeepers and stabilisers in regional countries, or whether a genuine 'whole of government' approach can be taken. It is not about whether a Pacific common market can work, or how Australia can help regional countries deal with the challenges of climate change. It is not about how the region's regional organizations can be made more effective.

5. Instead the fundamental challenge for Australia is a political one. It consists of posing serious questions about the alluring logic that Australia is responsible for the problems facing other independent sovereign states in its immediate region. It consists in increasing Australia's tolerance for the sometimes rather different and quirky decisions these neighbouring countries make – unless for some rare reason Australia's own security and prosperity are directly threatened. It consists in resisting, or at least questioning, the cloak of expectation and responsibility whenever a regional crisis occurs and the temptation for intervention. It consists of recognising that Australia's ability to achieve change in the domestic circumstances facing even very small regional countries is limited. Surface improvements brought about by direct intervention (and the good intentions which accompany it) can wear off very quickly. (Some lasting benefits might come instead through an indirect approach where Pacific citizens can better engage in Australia's economy on a scale more extensive than fixed-term fruit picking).

6. Australia's approach should thus resemble a limited liability strategy for the Pacific. This will be difficult to implement because it means resisting the temptations which come from the gap between Australia's power and the smallness and relative weakness of its neighbours. It will be doubly difficult because of the growing trend in regional affairs in the wider Asia-Pacific which is increasingly reverberating in the Pacific: not the fragility of Australia's near neighbours, but the vibrant and sometimes competitive relations between the larger northern Asian powers.

7. The growing reach of Asia's giants (including, but not limited to, China) has already generated concerns within this country that Australia stands to lose its influence and standing in its Pacific neighbourhood. As a result we can expect calls for an increase in Australia's regional activism. This creates an awkward dilemma. On the one hand it is in Australia's interests to share the risk of Pacific insecurity with other powers who are

willing to take on some of the burdens (alongside New Zealand to which Australia might consider offering even more of the internal security role in the Pacific, retaining for itself more of the interstate security role). On the other hand, the increasing involvement of some external powers may challenge Australia's strategic superiority in its neighbourhood which is fundamental to this country's historical sense of security.

8. The scale of geopolitical change in Asia over the coming decades is too great for Australia to resist on its own, including in the Pacific neighbourhood which some in Canberra might still be tempted to regard as Australia's backyard. The relative decline in America's influence in Asia will also mean that Canberra's main ally will be of even less utility than it has been in the past as a card up Australia's sleeve. Canberra's policymakers are also working in a Pacific region where Australian hegemony is an impossible dream because larger Asian powers cannot be excluded as Australia's own relative power declines. At the same time it is unlikely than any single external power can or will achieve that hegemony itself. Instead Australia needs to work for a Pacific region where the influences of the larger external powers serve to balance one another out.

9. This balance will be difficult to navigate and take some of the greatest policy skills Australian and neighbouring governments are able to muster. As part of the renewed Colombo Plan suggested by Prime Minister Rudd, attention should be given to opportunities for Pacific policymakers to be educated together in the art of geopolitics. A "Pacific in Asia" initiative could be well worth considering. Significant government investment is required if the growing synergies between the Pacific and Asia are to be studied and understood in depth and if Australia is to maximise its ability to educate and influence a new generation of regional leaders to deal with the changing strategic geography we all now inhabit.

10. In the approach outlined in this submission, Canberra would stand as a partner with Pacific countries as they seek to manage their own interaction with external powers so long as they choose wisely – because poor choices can hurt them and Australia. It means having a rational debate about what sort of military links between Pacific countries and external powers might occur without eroding Australia's strategic interests. It means asking questions about what sort of implied or explicit security guarantee Australia should maintain or extend to its Pacific neighbours. It means encouraging the South Pacific's diplomatic interaction with a number of the countries of Southeast Asia: the closest part of the wider region which is also seeking to cope with the rise of the great Asian powers. It means avoiding the temptation to see the Pacific as an arc of crisis detached from the rest of the region.

11. Most of the immediate security challenges for Pacific countries have domestic origins, and it is unlikely we have seen the last of these internal crises in Australia's neighbourhood. But just because Australia is the closest power of substance, it does not follow that attempts to resolve these challenges should be Canberra's leading priority in its long-term strategic thinking about the Southwest Pacific and places further afield.

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