

# Australia's Emerging Security Challenges in Northeast Asia: The Blind Alley of Multilateralism

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Of all the sub-regions in Asia—including Southeast Asia, Central Asia, and South Asia—Northeast Asia is strategically the most important for Australia. While in many ways Australia's most important bilateral relationship remains that with Indonesia, the most critical countries for Australia in Asia are China and Japan. These two countries are Australia's most important trading partners and the Sino-Japanese-US triangular relationship will be the single most critical variable shaping major power dynamics in Asia for the near future. Australia also has significant interests on the Korean peninsula; South Korea is Australia's fourth largest trading partner (after China, Japan, and the US) and Australia has a direct stake in the future of North Korea's nuclear weapons inventory. It is worth pointing out that, in aggregate terms, over half of Australia's total trade balance and investment is located in Northeast Asia. Although Australia has important strategic interests in other parts of Asia, what happens in Northeast Asia in the twenty-first century will shape Australia's strategic destiny like no other part of the globe.

In this article, I identify three areas where Australia confronts its most serious challenges in Northeast Asia. Each of these areas will, to a greater or lesser degree, determine the latitude Australia has to safeguard its strategic interests in Northeast Asia and in Asia more broadly. The first is the evolution of major power rivalry between the US, China, and Japan. As a minor power in Asia, Australia has only marginal influence over how these interactions evolve. Overlaying the classic vulnerability of small to medium-sized powers in the international system is the unique situation facing Australian policy makers—never before have they had to deal with a future scenario of major power rivalry in Asia that did

not directly involve Australia's great power ally, the United States. The evolving rivalry between China and Japan in a context where American regional influence is perceived to be declining presents Australian policy makers with some unsavoury scenarios, which centres upon the possibility that at some future point they may have to choose between falling into a China-led regional order in Asia or bandwagoning with a regionally isolated (but strategically powerful) Japan allied to a weakened US.

The second challenge facing Australian policy makers is the rise and increasing reinforcement of China's influence. Given its deep economic relationship with China, Australia is especially vulnerable to any interruption of China's upward trajectory. Yet, by the same token, Australian policy makers remain suspicious that Beijing is looking to project its growing strategic power more purposefully into the region, which would (from Australia's perspective) potentially upset America's role as offshore balancer in the region. The third area that poses a challenge to Australia is achieving equilibrium on the Korean peninsula. North Korea's emergence during the past decade as a nuclear weapons state has introduced a new strategic dynamic into Northeast Asian security and has solidified the existing view in all regional capitals that the DPRK must not be allowed to collapse because of the risk that control over its nuclear assets will no longer exist or the weapons will end up in a Korean military force following reunification. Both of these scenarios would seriously complicate Australia's strategic interests in Northeast Asia, not least because they could well lead to further nuclear proliferation, including on the part of Japan.

In attempting to address the various multilayered security challenges in Northeast Asia sketched above, Australia should avoid the pursuit of long-term solutions, or "grand plans", as part of its strategic policy. Contrary to the rhetoric of successive governments, Australia is not a major player in Asia on security issues. Indeed, the Rudd government's ambitious "Asia Pacific Security community" initiative has encountered opposition in Asia in part because other states do not regard Australia as being in a position to set the regional security agenda.<sup>1</sup> More importantly,

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<sup>1</sup> Paul Kelly, "Diplomatic Activist Reshapes Region", *The Australian*, 12 December 2009. Prime Minister Rudd outlined his "Asia Pacific Security community" vision in a speech to the Asia Society Austral Asia Centre in June 2008. See "The Hon Kevin Rudd, Address to the Asia Society

however, the initiative is ill-suited to addressing the sorts of complex regional security challenges Australia confronts in the early part of the twenty-first century. Importing into Asia ambitious security architectures modelled on the European experience promises much, but is likely to deliver very little. In the spirit of Charles Lindblom's model of policy incrementalism, Australia's strategic policy in Northeast Asia needs to be modest and fundamentally step-by-step in its approach.<sup>2</sup>

## MAJOR POWER RIVALRY AND REALIGNMENTS

Of all the contemporary developments in Northeast Asia, it is the shifting role of the major powers in Asia that will determine the future security dynamics of the sub-region. Strategic rivalry between major powers has a long tradition in Northeast Asia. As Chung Min Lee has observed, "in no other region is the prospect for long-term regional stability and prosperity so dependent on the level, or lack, of major power cooperation".<sup>3</sup> It is important not to confuse rivalry with confrontation. The latter implies a short term readiness on the part of major powers to use force to achieve policy objectives (e.g., Cuban missile crisis), while the former refers to a situation where major powers share a relationship characterised by underlying adversarial tensions (i.e., the superpower relationship for most of the Cold War period). As one leading study has argued, three criteria must be obtained in any relationship for it to qualify as a genuine strategic rivalry: the states in question must regard each other as competitors; the source of actual or latent threats that have some possibility of becoming militarised; and enemies.<sup>4</sup>

During the Cold War, Northeast Asia was the only region outside Europe where the strategic interests of the superpowers

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AustraAsia Centre Annual Dinner, Sydney, 4 June 2008", available at [http://www.asiasociety.org.au/speeches/speeches\\_current/s55\\_PM\\_Rudd\\_AD2008.html](http://www.asiasociety.org.au/speeches/speeches_current/s55_PM_Rudd_AD2008.html) (accessed on 2 March 2010).

<sup>2</sup> Charles Lindblom, "The Science of 'Muddling Through'", *Public Administration Review*, 19(2), 1959, pp. 79-88.

<sup>3</sup> Chung Min Lee, "The Security Environment in Northeast Asia", in Desmond Ball, ed., *Maintaining the Strategic Edge: The Defense of Australia in 2015* (Canberra: Strategic and Defense Studies Centre, Australian National University, 1999), p. 70.

<sup>4</sup> Michael Colaresi, Karen Rasler, and William Thompson, *Strategic Rivalries in World Politics* (Cambridge: Cambridge University Press, 2008), p.25.

overlapped to such a degree that each would have used armed force to defend these interests. Today, however, the balance between the region's major powers is quite different to the balance that prevailed during the Cold War. There is little doubt that the United States remains the dominant power by dint of its economic presence, its unrivalled capacity to bring superior military capabilities to bear in almost all contingencies, and its unrivalled status globally. America's position in Northeast Asia is very much a legacy of its dominant role during the Cold War. Yet, Washington is more reliant than ever on eliciting the cooperation of other states in its endeavours to realise its strategic goals in Northeast Asia.

Nowhere is this more obvious than in America's dealings with China on regional security issues. A good example is in relation to how both sides sought to deal with North Korea when it became clear Pyongyang had decided to weaponise its nuclear program in the early part of this decade. The Bush administration encountered decidedly mixed success in its attempts to persuade China to place pressure on Pyongyang not to proceed with its nuclear program in 2002 and 2003. While Beijing appears to have conveyed its displeasure to Pyongyang by shutting down a critical oil pipeline to the DPRK in early 2003<sup>5</sup>, China also made it clear in the first half of 2003 that it would veto any draft resolution presented by the United States to the UN Security Council condemning North Korea for withdrawing from the Nuclear Non-Proliferation Treaty (NPT). The initiation of the Six-Party talks in 2003 was a direct consequence of Chinese appeals to the United States to engage Pyongyang multilaterally on the nuclear issue after Washington rejected bilateral talks and North Korea announced that it had no intention of reversing its decision to withdraw from the NPT.<sup>6</sup>

There is little to confirm pessimistic interpretations that the removal of the Cold War "overlay" in Northeast Asia has increased tensions between the major regional powers, or rendered cooperation between them outside multilateral forums any more problematic. If anything, the prospects for cooperation among the major powers in Northeast Asia are quite good. US-China rival-

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<sup>5</sup> Kimberly Elliot, "Economic Leverage and the North Korean Nuclear Crisis", *International Economics Policy Briefs*, PB03-3, April 2003, p. 6.

<sup>6</sup> Ming Liu, "China and the North Korean Crisis: Facing Test and Transition", *Pacific Affairs*, 76(3), 2003, pp. 347-373.

ry is more multilayered than many observers acknowledge, and its strong economic dimension distinguishes it from the rather narrow ideological-military rivalry between the US and the USSR. As Denny Roy points out, the United States and China are both partners *and* competitors in Northeast Asia.<sup>7</sup> In this sense, the tendency among neo-realists to draw parallels between US-China relations and US-Soviet rivalry is misleading, and attendant prescriptions in favour of containment are based on a simplistic analogy.<sup>8</sup> Relations between Washington and Beijing are more complex and underpinned by less structural confrontations than is often assumed.

In the case of the China-Japan relationship, often identified as having the potential to evolve into great power confrontation in East Asia, there are perhaps fewer reasons to be optimistic. Nevertheless, it would be incorrect to assume that bilateral confrontation and serious tensions are necessarily inevitable. In addition to shared concerns over the need to safeguard valuable energy resources in the broader Asian region, China and Japan share one of the most interdependent relationships of any two states in the international system, with both countries acutely dependent on high levels of bilateral trade and investment for their continued economic well-being. Yet, unresolved historical issues, coupled with deep mutual mistrust at the popular level, pose considerable challenges for Beijing and Tokyo in managing their relationship. China's burgeoning influence in Asia, coupled with its increasingly assertive posture on political and security issues, worries Japanese policy makers. For its part, Beijing remains vigilant about Japan's growing strategic role and capabilities, particularly in the naval realm. An ongoing territorial dispute over the East China Sea and concerns about Japan's threshold nuclear weapons capability has the potential to escalate tensions in the bilateral relationship, despite close economic ties.<sup>9</sup>

<sup>7</sup> Denny Roy, "China's Reaction to America's Predominance", *Survival*, 45(3), 2003, p. 72.

<sup>8</sup> See, in particular, John Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton, 2001); and Bradley Thayer, "Confronting China: An Evaluation of Options for the United States", *Comparative Strategy*, 24(1), 2005, pp. 71-98.

<sup>9</sup> For discussion, see James Manicom and Andrew O'Neil, "Sino-Japanese Strategic Relations: Will Rivalry Lead to Confrontation?", *Australian Journal of International Affairs*, 63(2), 2009, pp. 213-232.

As a small to medium-sized actor in the Asian region, Australia is acutely vulnerable to realignments among the great powers and shifting balances of power. While Australia's great power ally, the United States, continues to play an active balancing role in Northeast Asia, there is an appreciation among Australian policy makers that this is unlikely to last forever. In the absence of the US presence in Northeast Asia, Australia clearly would have an interest in ensuring that it is not squeezed by any of the major powers and that its economic and strategic interests are not compromised by great power rivalries. Yet although the stakes for Australia in achieving a great power equilibrium in Northeast Asia are very high, it has little, if any, real influence over shaping futures outcomes in this area. Great power dynamics have a logic and momentum all of their own, and structural transformations in the balance of power at the regional level are essentially impervious to multilateral institutions. As John Mearsheimer has observed, "institutions are basically a reflection of the distribution of power in the world [and] are based on the self-interested calculations of the great powers, and they have no independent effect on state behaviour".<sup>10</sup> A country like Australia has very few options in responding to major power shifts in its region. Its approach for the past sixty years has been to seek security within the great power system in Asia through an alliance with the United States. If this is no longer an option in an era where China's rise eclipses America's position in the region, Australia's strategic choices will be stark: bandwagoning with regional states to balance the influence of a hostile major power or accommodating the latter through a process of engagement, or possibly appeasement.<sup>11</sup>

## ADJUSTING TO CHINA'S RISE

It is difficult to see how China's stunning rise to great power status will not continue well into the twenty-first century. China has the world's fastest growing economy with an annual growth rate that

<sup>10</sup> John Mearsheimer, "The False Promise of International Institutions", *International Security*, 19(3), 1994/95, p. 7.

<sup>11</sup> See Randall Schweller, "Managing the Rise of Great Powers: History and Theory", in Alistair Johnson and Robert Ross, eds., *Engaging China: The Management of an Emerging Power*, Routledge, London, 1999, pp. 1-31.

has hovered between seven to nine percent of GDP since the late 1990s. This has been accompanied by an awesome expansion of its trade and foreign direct investment (FDI), with China being the world's single largest recipient of FDI. However, the most striking dimension of China's economic power lies in its projected upward trajectory in the coming decades. Although fraught with some uncertainty, conservative projections indicate that China will surpass the United States as the largest economy in the international system (in absolute terms) early in the second half of the twenty-first century. If realised, this will be a remarkable achievement for a country that, up until the late 1970s, had been one of the least developed economies in Asia.

Inevitably, China's rapid economic ascent has had significant flow-on effects in improving Beijing's ability to modernise its conventional and nuclear force assets since the end of the Cold War, as well as increasing China's political and diplomatic influence in foreign capitals, particularly in Asia. This newfound influence has been carefully cultivated by Beijing, with considerable effort devoted to improving China's diplomatic reach. Central to this has been the promotion of the perception among regional states that China's continuing rapid rise is assured. As Shaun Breslin notes, "A key source of China's 'non-hard' power appears to be the way in which some in the region (and beyond) base their relations with China today on the (well-founded) expectation of continued growth and what they expect China to become in the future".<sup>12</sup>

China's spectacular economic performance, while generally regarded as positive and as a unique opportunity for foreign investors, has stirred debate about whether China will remain content to play a benign leadership role in Northeast Asia or pursue a more aggressive posture aimed at securing regional hegemony. Consequently, the options for "managing" China's rise are portrayed in starkly negative terms of either accommodation or confrontation. China's stunning economic performance, it is claimed, has laid the foundation for a drive towards regional domination in Northeast Asia. Either countries can adjust to China's inevitable endeavours to exercise hegemony in regional

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<sup>12</sup> Shaun Breslin, "Understanding China's Regional Rise: Interpretations, Identities and Implications", *International Affairs*, 85(4), 2009, p. 835.



affairs, or they can bandwagon to contain China's hegemonic ambitions.

Often overlooked is the extent to which China's bilateral relations with regional states have already become interdependent and the degree to which China remains dependent on continued peace and stability in Northeast Asia. Along with the United States, China has become the single most important trading partner for Japan, South Korea, and Taiwan and the trend is that it will become the dominant economic partner for all three states.<sup>13</sup> This is despite ongoing bilateral tensions over a number of unresolved strategic issues. Yet, it is simplistic to assume that China alone is gaining economic advantage that it will be able to use unilaterally to its own strategic ends at some future point. As Nanto and Chanlett-Avery point out, "Not only are Japan, Taiwan, and South Korea becoming more dependent on China, but China is also becoming more dependent on their economies for imports and exports".<sup>14</sup> Moreover, China's upward economic trajectory will remain vulnerable to external shocks and domestic turmoil, and Chinese analysts themselves emphasise the considerable challenges facing Beijing, including the difficult coordination of economic and social development and projected domestic energy shortfalls.<sup>15</sup>

For Australia, the rise of China presents enormous challenges, as well as opportunities. Despite the extraordinary expansion of the bilateral economic relationship since the 1990s, Australian policy makers have demonstrated caution in their dealings with China, particularly in the area of inbound foreign direct investment. Australian policy elites are remarkably open about the degree to which Australia has become dependent on China for its sustained economic growth. Yet this has not stopped them from seeking to limit Chinese direct influence over key sectors of the national economy, and protests from Beijing seem to have made little impact on the willingness of Canberra to insist on tough preconditions for proposed Chinese investment in the mining sector in particular.

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<sup>13</sup> Robert Wang, "China's Economic Growth: Source of Disorder?", *Foreign Service Journal*, May 2005, p. 20.

<sup>14</sup> Dick Nanto and Emma Chanlett-Avery, "The Effect of the Rise of China on Taiwan, Japan, and South Korea", *Problems of Post-Communism*, 53(1), January-February 2006, p. 35.

<sup>15</sup> On China's often overlooked internal fragility, see Susan Shirk, *China: Fragile Superpower* (Oxford: Oxford University Press, 2008).



However, there is some evidence that Australia has accommodated China on the key issues of Taiwan and the short-lived Quadrilateral Dialogue. Remarks by the Howard government in 2004 that Australia would not necessarily assist the US in a Taiwan Strait contingency and the termination by the Rudd government in 2008 of Australia's participation in a formal strategic dialogue process with India, Japan, and the US—in response to Chinese pressure—signalled something of a realignment in Australia's regional strategy. Outspoken criticism of Japan on the issue of whaling has juxtaposed with a focus on not offending Chinese sensibilities in the region. This has raised questions about whether Australia is drifting towards China's orbit in Asia.<sup>16</sup> But this should be balanced against Australia's continuing strong alliance with the United States—reinforced by robust public support—and Canberra's evolving security relationship with Tokyo. There is no evidence of a weakening in Australia's commitment to the US alliance, which would seem to undercut any argument that instances of accommodation of Chinese policy preferences and is indicative of a broader strategic realignment.<sup>17</sup> In addition, notwithstanding the unprecedented political and economic interaction between China and Australia, there remains a strong wariness of China's longer-term intentions among policy elites, something also mirrored in public opinion surveys. Like other regional states, Australia has adopted a blend of alignment strategies to capitalise on the economic opportunities presented by China's rise, while guarding against adverse strategic consequences. Achieving this balance into the future will be the ideal outcome for Australian policy makers.

## EQUILIBRIUM ON THE KOREAN PENINSULA

For some time, regional analysts have regarded the Korean peninsula as the most serious and intractable security challenge in Northeast Asia. The history of civil war between North and South

<sup>16</sup> Andrew Shearer, "Don't Sacrifice Relations with Japan Over Whaling", *The Spectator* (UK), 20 January 2010, available at: [http://www.spectator.co.uk/australia/page\\_9/5719623/dont-sacrifice-relations-with-japan-over-whaling.thml](http://www.spectator.co.uk/australia/page_9/5719623/dont-sacrifice-relations-with-japan-over-whaling.thml) (accessed on 26 February 2010).

<sup>17</sup> For elaboration on this argument, see James Manicom and Andrew O'Neil, "Accommodation, Realignment, or Business as Usual? Australia's Response to a Rising China", *The Pacific Review*, 22, forthcoming, 2010.

Korea, and the fact that the two countries have not signed a peace treaty formally ending their conflict, has meant that relations between Seoul and Pyongyang remain trapped in a time warp of Cold War hostilities. Yet despite the massive military build-up on the northern and southern sides of the narrow DMZ, there is strong evidence that both sides remain deterred from initiating armed conflict or risking armed conflict by pushing the other side too far. The near certainty of defeat means that Pyongyang probably recognises that war would be tantamount to inviting South Korea and the United States to institute regime change in the North. For the ROK and its American ally, the massive costs of any conventional conflict would dramatically eclipse any conceivable strategic benefits that could be gained because of initiating war with North Korea. There are also strong grounds to conclude that Seoul and Washington are deterred by the prospect of North Korea possibly using nuclear weapons against targets in the south and Japan.

The key motivating factor for Northeast Asian countries in their approach to all issues on the Korean peninsula is the desire to preserve the status quo—that is, doing all they can to forestall developments that could threaten the survival of North Korea as a unitary state. China and South Korea provide substantial economic assistance to the DPRK, while Japan and Russia have provided significant amounts of humanitarian (mainly food) aid through the United Nations. Only when the Pyongyang regime has undertaken actions, including testing nuclear devices in 2006 and 2009, do these countries feel compelled to threaten the continuation of economic assistance and food aid.

The one country often identified as having both the capacity and motive to remove the Pyongyang regime, the United States, has provided North Korea with over one billion dollars in aid since the mid-1990s, and has sought to reassure the North Korean leadership publicly that it has no interest in imposing regime change on Pyongyang. The consensus among all Northeast Asian states is clear: any collapse of the DPRK either through implosion or the use of external force would have seriously adverse consequences for their strategic interests, both in the immediate and long term. For South Korea, in the short term it would mean dealing with an influx of possibly hundreds of thousands of refugees from the north and the diversion of prodigious economic resources to help

underwrite the transition to reunification on the peninsula. China would lose a key buffer state in the event of a DPRK collapse and, like Seoul, would face the prospect of large numbers of North Korean refugees streaming into its territory across a 1,400-kilometre front.

Australia is by no means a key player on the Korean peninsula, but it does have a vested interest in what happens in this theatre. The Australia-ROK economic relationship has reached unprecedented heights and South Korea has developed a critical middle power role in Asia. Moreover, the future of North Korea, in particular the fate of its nuclear weapons inventory, is of considerable concern to Australian policy makers. Australia is already within range of China's inter-continental ballistic missile forces, and may well be within range of North Korea's Taepodong missile forces before 2020. Being subject to a direct nuclear strike from Pyongyang may sound like a remote possibility, but it is less remote than a nuclear strike from China. The extended deterrence umbrella provided to America's allies in Asia provides some assurance for Australian policy makers, but it is by no means likely to last, with reports already emerging that the Obama administration is reviewing the role of extended deterrence in preparing the latest US Nuclear Posture Review.<sup>18</sup> The potential trigger of North Korea's nuclear inventory for further proliferation in the region is something that cannot be lost on Australian strategic planners.

## THE BLIND ALLEY OF MULTILATERALISM

Is Australia equipped to deal with the three challenges outlined above? A central theme in the analysis so far is that Australia, as a minor player in regional terms, will continue to enjoy little direct influence over shaping regional security dynamics in Northeast Asia. Thus it would seem logical to assume that the optimum, indeed perhaps the only, way for Australia to promote its interests in Northeast Asia is through advocating a greater role for multilateral institutions in the region. This is certainly a

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<sup>18</sup> Thom Shanker and Mark Landler, "Pentagon Checks Arsenal in Race for Nuclear Treaty", *The New York Times*, 8 September 2009.

strong thread running through the Rudd government's advocacy of an "Asia Pacific Security community", which is based on reifying the role of "pan-regional institutions to enhance the positive dimensions of growing regional interconnectedness and manage any negative impacts". An underlying assumption in the Rudd government's rhetoric is that formal multilateral institutions can achieve positive security outcomes—in terms of promoting stability and conflict avoidance—that informal traditional balance of power arrangements cannot.

Yet, there are several reasons to question the internal logic of this position. The first relates to the low-grade performance of multilateral security institutions in Northeast Asia especially, and Asia more generally, in recent times. Supporters of enhanced institutionalism in Asia have argued strongly in favour of the need for transforming the extant Six-Party Talks process—instituted in 2003 as a response to North Korea's withdrawal from the NPT—into a sub-regional forum to address broader security issues. Stephen Haggard and Marcus Noland have recently outlined the concept of a Northeast Asia Peace and Security Mechanism, which would aim to formally integrate sub-regional states.<sup>19</sup> Nick Bisley has argued that the Six Party Talks "have garnered sufficient political interest to make possible an ongoing multilateral mechanism to deal with security challenges in this relatively combustible region".<sup>20</sup> According to Bisley, one of the key contributions such a mechanism could make would be "to establish a set of procedures to deal with any future sub-regional crises".<sup>21</sup> This view is similar to the position expressed by the Rudd government in support of expanding Northeast Asia's security institutions.<sup>22</sup> However, it is important to point out that the Six Party Talks process has signally failed to achieve its primary mission since 2003: preventing North Korea from acquiring nuclear weapons. If such a multilateral process cannot attain the

<sup>19</sup> Stephen Haggard and Marcus Noland, "A Security and Peace Mechanism for Northeast Asia: The Economic Dimension", *The Pacific Review*, 22(2), 2009, pp. 119-137. The authors concede that "a more permanent multilateral structure is unlikely until the [North Korean] nuclear issue is resolved".

<sup>20</sup> Nick Bisley, *Building Asia's Security* (London: Routledge and IISS, 2010), p. 105.

<sup>21</sup> Bisley, *Building Asia's Security*, p. 106.

<sup>22</sup> See, for instance, "The Hon Stephen Smith, Interview: Phoenix Television, Beijing, 26 March 2009", available at: [http://www.foreignminister.gov.au/transcripts/2009/090326\\_phoenix.html](http://www.foreignminister.gov.au/transcripts/2009/090326_phoenix.html) (accessed on 2 March 2010).

objective it was mandated to achieve when it was instituted, what hope is there that a revised process will be capable of “dealing with future sub-regional crises” as and when they present themselves?

The limits to multilateral security institutions are evident more generally in the Asian region. Regional states (including Australia) belong to Asia-wide institutions, including the ASEAN Regional Forum (ARF) and the East Asian Summit (EAS), which had its inaugural meeting in December 2005. Nevertheless, these bodies deal with security issues in only a generic fashion, and do not focus directly on outstanding security issues in Northeast Asia. Moreover, steered as they are by ASEAN group members who place a premium on preserving their authority over Asian multilateralism as a way of blunting American and Chinese influence in Southeast Asia, neither the ARF nor the EAS have the institutional capacity to go beyond ritualistic declarations of “common concern” and “identity building”. Achieving little substantive progress since the mid 1990s when it was set up, the ARF has failed to demonstrate its relevance to tackling the more intense security dilemmas and challenges that confront Northeast Asia. The tentative nature of security institutions in Asia is in stark contrast to the situation in Europe where there is a long tradition of countries readily ceding key elements of their sovereignty to supranational institutions, particularly the European Union (EU) and NATO. Europe’s security dynamics are deeply intertwined with regional multilateral institutions forums such as the Organization for Security and Cooperation in Europe (OSCE), and virtually all European countries have committed themselves to dealing with major security challenges within the framework of existing multilateral institutions.<sup>23</sup> There is no basis for assuming—as the Rudd government and a number of observers do—that a pan-regional security institution would have any more success than existing institutions in addressing security challenges across Asia, including those in Northeast Asia.

Perhaps most important of all, there remains little evidence to suggest that the region’s great powers are genuinely committed to building robust multilateral institutions to address Northeast Asia’s security challenges. This is hardly surprising from a historical

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<sup>23</sup> For a comprehensive overview of its roles and responsibilities, see the organisation’s web site at: <http://www.osce.org/>

perspective and validates a key strand of realist theory about great power behaviour in practice. But it also owes something to a particular mindset about hierarchy among Asian states. As David Kang has argued, the notion of an established hierarchy among regional states retains stronger appeal in Northeast Asia than arguably any other region in the international system. Hierarchy among states has a well-established tradition in Asia generally, and up until the nineteenth century, China was seen as “the dominant state and the peripheral states as secondary states or ‘vassals’”. This is in sharp contrast to the Western tradition that stresses formal equality between states (as in the European model).<sup>24</sup> Residual elements of this tradition have dissipated to a much great extent in Southeast Asia than in Northeast Asia where there is greater resistance among the major powers to subjecting themselves to the uncertainties of multilateral processes on an equal footing with countries they deem to be “lesser” powers. Finally, the principle of sovereignty remains highly prized among Northeast Asian states. Regional states tend to value traditional Westphalian notions of sovereignty more highly than their European counterparts. As a result, they have been generally more suspicious of multilateral forums with the (perceived) potential to dilute key aspects of their sovereign prerogative on important security issues. Even in Southeast Asia, where states have been more comfortable engaging in multilateral diplomacy under the rubric of ASEAN, regional institutions have been “sovereignty conforming” rather than genuinely supranational in the European mould.

As Allan Gyngell has observed, Australia has a long-standing preference for multilateral approaches to dealing with key foreign policy challenges, which in turn mirrors a belief that “as a middle-sized power, Australia alone cannot shape the world and that the country’s interests are best served by encouraging the development of international norms and laws that would help balance Australia’s relative weakness”.<sup>25</sup> The Rudd government’s “Asia Pacific Security community” proposal stems from a deeper commitment to the role

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<sup>24</sup> David Kang, “Hierarchy in Asian International Relations: 1300-1900”, *Asian Security*, 1(1), 2005, pp. 54-55.

<sup>25</sup> Allan Gyngell, “Australia’s Emerging Global Role”, *Current History*, March 2005, p. 100.

that international institutions can play in mitigating the effects of anarchy in the international system. It is, in short, a case built on classic liberal-institutionalist foundations that have featured as a central element in Labour's foreign policy tradition.<sup>26</sup> There is nothing intrinsically wrong with the argument that institutions can help to offset the worst effects of systemic anarchy in international relations—we only have to imagine how the world would have evolved after 1945 without the United Nations. Yet, the argument that institutions are *necessary* to address Asia's emerging security challenges is unconvincing. So too is the (untested) assumption that Asia will be worse off without a "pan-regional" security institution. The view often put forward is that Asia "lags behind" Europe in its ability to manage its security affairs due to the absence of region-wide multilateral institutions dedicated to promoting security.<sup>27</sup> In adopting this approach, there is a risk that a multilateral security institution of the OSCE type becomes an end in itself rather than a means to promoting conflict avoidance among states. It is worth pointing out that despite its lack of security institutions, with the exception of the brief Sino-Soviet border armed clash in 1969, Northeast Asia has not experienced armed conflict since the Korean War of 1950-53, while Europe was the site of large-scale civil war and inter-state conflict in the Balkans for most of the post-Cold War era.

Australia confronts some daunting security challenges in Northeast Asia in the years ahead. The tools it has at its disposal to protect its national interests in this part of Asia are limited. Advocating modest multilateral initiatives to build confidence among the major powers should be part of Australia's strategic policy, but grand visions of a pan-Asian security institution should

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<sup>26</sup> This very much has its intellectual roots in the thinking of Hebert Vere Evatt, who was Labor foreign minister under the Curtin and Chifley governments. See David Lee, "The Curtin and Chifley Governments: Liberal Internationalism and World Organisation", in David Lee and Christopher Waters, eds., *Evatt to Evans: The Labor Tradition in Australian Foreign Policy* (St. Leonards: Allen and Unwin, 1997), pp. 48-61.

<sup>27</sup> In his initial speech outlining the Asia Pacific Security cooperation concept, Rudd observed: "Most people would now agree that the goal of the visionaries of Europe who sat down in the 1950s who resolved to build prosperity and a commons sense of a security community has been achieved. It is that spirit we need to capture in our hemisphere." See "The Hon Kevin Rudd, Address to the Asia Society AustralAsia Centre Annual Dinner, Sydney, 4 June 2008".



not form the centrepiece of Australia's strategy. Such a construct is ill-suited to addressing Australia's emerging security challenges in Northeast Asia. The Rudd government would be well advised to look more closely at the poor track record of multilateral security institutions in the region and their fundamental limitations in influencing balance of power politics in Northeast Asia. In thinking about ways in which to deal with security challenges in the twenty-first century, Australian policy makers should focus on leveraging the existing avenues of influence they have at their disposal. These avenues are primarily bilateral in nature, the most important of which is Australia's alliance with the US, its close security relationship with Japan, an expanding strategic dialogue with South Korea, and access to senior Chinese elites by dint of the Sino-Australian economic relationship. While it may offend the purer instincts of liberal-institutionalists in government, academia, and think tanks, Australia could do a lot worse than seek to "muddle through" by exploiting what it has—as distinct from what it would like—more effectively.

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