



# *Worth Noting*

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*Worth Noting is the journal of research and conferences company L21. It is designed to offer short articles of interest to senior executives.*

We frequently hear the phrase 'middle power' used to characterise Australia's role in the world. Certainly, that is how we like to see ourselves. We are neither a superpower or great power but neither are we there just to make up numbers in the yearbook of recognised countries each year.

When the Cold War ended from the early 1990s onwards and the West appeared to have won a decisive victory, power began to be defined much more in economic terms. Everyone knew that the U.S. had a preponderance of military power over any rival and for the rest of us military capacity did not seem to matter as much as it once did. Physical security threats appeared far off and unlikely for most developed countries and wars were confined to securing failed states in Africa and the Balkans (with Gulf War 1991 an exception.)

Military capacity is now making a comeback as far as the definition of power is concerned. To be fair, the de-emphasis on military power only ever occurred in countries like Australia, Canada, and in Western Europe who in the 1990s placed greater faith in economic institutional frameworks. The notion that economic frameworks removed the causes for military conflict now carries less weight than it did a decade ago. The reasons why this has occurred may be entered into another time.

In this edition of Worth Noting, we thought it would be interesting to look at what some experts particularly from the ASPI (Australian Strategic Policy Institute) have to say about Australia as a 'middle power' and to what extent we punch beyond our weight as a military power.

## **Do we punch above our weight?**

As Australians, we like to believe that we punch well above our weight whether this is defined by sporting success, economic terms or in this case military power. But do we?

It obviously depends how we initially define our 'natural weight' and how this compares to our 'military power'. Our 'natural weight' is made up of many factors: geography and location, population, natural resources, infrastructure etc.

Population is usually the only factor cited and it does make impressive reading. We are home to about one third of one percent of the world's population (ranking us forty ninth overall) but our influence in all areas is much greater than that. However, population is clearly not the only source of 'natural advantage' for countries. A billion people in a sparse country with no natural resources or geographically secure borders would not appear to be a country with powerful advantages.

What about how we measure military weight? The problem with looking simply at raw capacity is that there is no reference to the perceived threat and therefore the true potential effectiveness of any military force. For example, as an island, a powerful navy is more critically to the UK than it would be for a landlocked country like Hungary.

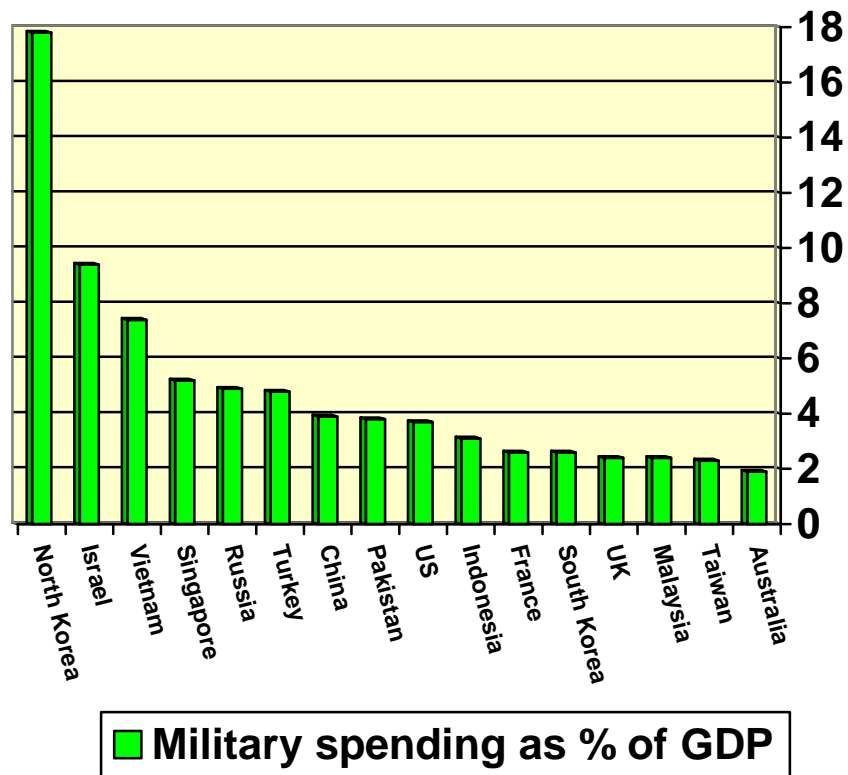
Moreover, the mere head count approach tells us only very little about military weight. Australia has just over 50,000 permanent armed forces which puts us close to the bottom of all developed countries. This ranks us numerically around sixty sixth in the world. Even as a proportion of our population (0.25%), we would be ranked way below other developed countries.

As a case in point our relatively low numbers of armed personnel must be read in context of the 'maritime strategy' we have had in place since the early 1970s. As an island, and with potential invaders who have poor amphibious capacity (water to land), the need for a large number of permanent personnel was seen as unnecessary.

Perhaps a more revealing approach would be to look at our military standing compared to our economic position. Although ranked about forty ninth in population size, Australia is ranked about thirteenth in the world for GDP and sixteenth using the PPP (purchasing power parity) method. In economic terms we clearly punch beyond our weight and would be rising to the top of the economic 'middle power' group.

In terms of military spending as a proportion of GDP, we are in a similar position as our GDP ranking.

## Military Spending as % of GDP



Source: World Bank, International Institute of Strategic Studies

The take away here is as a proportion of GDP, our spending on armed forces is similar to our GDP by ranking. As a percentage of GDP, we spend more than many developed countries but less than our regional Asian neighbours.

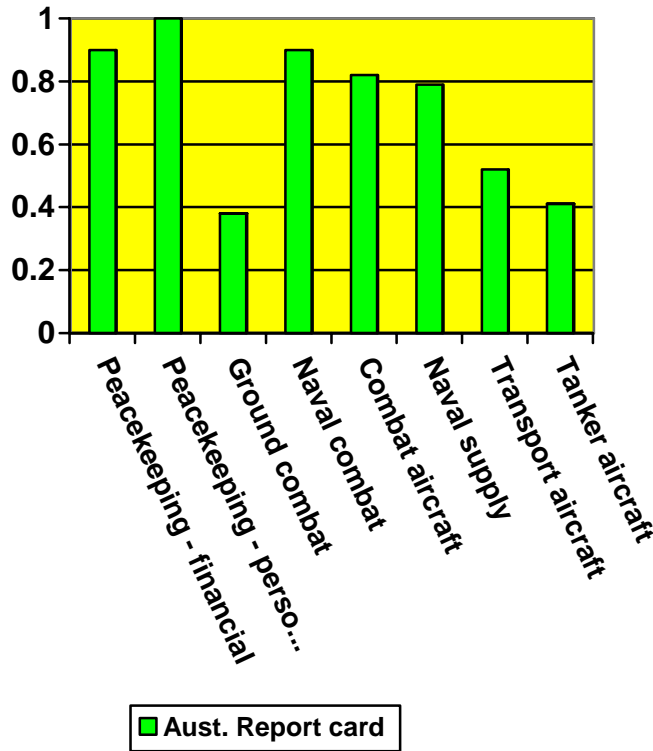
We have left out many of the other data and methodologies used but the general conclusion here from a numbers point of view is that we are quantitatively a middle power but we do not punch above our weight militarily as far as numbers are concerned. We are at a level of power that our economy and resources suggest that we would expect to be.

### **Looking deeper**

Numbers can only tell us so much. Capacity is not the only measure of effectiveness or indicative of possible outcomes. 'Capacity' does not equal 'power'.

In true U.S. Defense fashion, the Pentagon reports each year to the US Congress on 'Allied Contributions to the Common Defence.' This is a report card for each allied country marked against eight criteria graded on a numerical scale.

**Australia's Pentagon Report Card, 2003**



Source: US Department of Defense, July 2003

- 0-0.8 indicates 'very low effort relative to ability to contribute'
- 0.8-1.19 indicates 'roughly in balance with ability to contribute'
- 1.2 or above indicates 'substantial contributions relative to ability to contribute'

This measures 'intent' and 'willingness' which are essential elements to military effectiveness, or military 'power'. To put it bluntly, all the capacity in the world matters little if others are not convinced that you will actually use them. Why do we fear North Korea more so than another country with greater objective capacity? Because we believe North Korea is more willing to use their military resources.

In the chart above, any score above 0.8 indicates that we are doing our 'fair share' given our capacity. This is according to the Pentagon's assessment but the methodology they use is generally sound and not politically motivated.

What the charts tell us is that Australia is generally willing to punch at or above our economic and resources weight except in situations where the prospect of casualties is high. Hence, our ground combat commitments are below those of capacity even though we seem willing to offer logistical and other expertise to most allied causes.

The recent Iraq War is a prime example. The U.S. and U.K. deployed 31.3% and 19.2% of their ground combat forces respectively whilst we deployed 4%.

### **Why do we appear to punch beyond our weight?**

In terms of military activity and willingness, Australia does not punch above our weight. Why then do we appear to do so?

The answer has more to do with diplomacy and politics. Whilst Australia's combat commitments are relatively light, our willingness to stick our necks out politically in support or condemnation in conflict situations is high. In other words, we are more willing to take large diplomatic risks than military ones.

Hence, note our fame (or infamy) as part of the 'Coalition of the Willing.' Our political support of the action was crucial to the Coalition despite our modest military contribution.

Moreover, Australia has had a strong tradition of walking the global stage on a variety of issues that deal with conflict and war despite our smaller size. Consider Dr. Evatt's role in the drafting of the UN Charter and becoming the first President of the General Assembly, leadership roles in UN action in Cambodia in the early 1990s, East Timor in 1999, arms control initiatives such as the Australia Group in 1985 and the Comprehensive Nuclear Test Ban treaty in 1996.

In recent times, we are gearing ourselves to play a modern UK-type role as a mediator between the U.S. and China (in the same way UK is a mediator between US and EU.) Our place at the East Asia Summit following China's support is indicative of this.

It is worth noting also that Australia is quite happy to promote the perception that we punch above our weight militarily even if facts dispute this. Certainly, countries like Indonesia & Malaysia are much more uncomfortable with our perceived military power than our objective capacity suggests.

In truth, it is more the case that a modern military infrastructure coupled with power allies and a willingness to take political risks during instances of global conflict is the combination that creates the impression that we punch beyond our weight as a military power. For better or worse, it is more that we are, in the eyes of the world, a politically assertive middle power.