

## Strategy and its discontents

### The place of strategy in national policymaking

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#### Introduction

**Peter Jennings**

One of the liveliest debates to have taken place on ASPI's blog, *The Strategist*, concerned the place of strategy in Canberra's policymaking community. This started innocently enough when, having read Bob Carr's *Diary of a Foreign Minister*, I asked why the Department of Foreign Affairs and Trade (DFAT) didn't appear to 'do' strategy anymore as part of its routine business. The question (or perhaps my answer to it) sparked a debate that crossed both the Tasman and an even wider divide between policymakers and Australian academe, journalists and think-tankers. It seems that there's little consensus around what strategy's core business should be, let alone who should practice it and whether indeed enough strategy is being done by DFAT, Defence or other parts of government.



Rodin's statue, The Thinker. © Rafael Ramirez Lee via Shutterstock.

One thing that perhaps unites our eight contributors here is the view that the place of strategy in policymaking is a far from trivial question. Here, I'll assert a proposition: Countries that invest in strategic thinking and planning have more capacity to deliver better quality policy. Countries that don't take strategy seriously risk policy drift and ultimately losing national advantage. As Australia's global strategic outlook becomes more competitive and risky, the need is surely for government to do more strategy rather than less. If it really is the case as Bob Carr asserts that 'all foreign policy is a series of improvisations', then Australia won't be well placed to assert its interests or even to think clearly about what its strategic interests should be.

A pessimist might take the view that strategy doesn't have a promising future as one of Canberra's favoured policy tools. There certainly are risks to the profession inherent in the way much policy is currently developed. A short-term focus on policy, an aversion to risk, a penchant for group think and lack of imagination—all these limitations can constrain the interests of government agencies to undertake strategic thinking. And let's remember too, that strategy is difficult. Data is incomplete and might not usefully shed light on future options; multiple factors must be taken into consideration; people are quirky and, on the international stage, are hardly the rational actor models so beloved of economists. On the other hand, successive Australian governments have told the public service that they want more strategy. This is reflected in the sheer number of policy statements that have emerged in the last decade where the term strategy is explicit or implicit in the contents. Governments understand that the big policy challenges they face are complex in design, long term in nature and cross many specialised domains. These policy dilemmas can only be sensibly addressed with sophisticated strategies.

The 11 short pieces printed here by eight authors with quite diverse perspectives span a broad range of views about the definition, role, purpose and health of strategic policymaking. There's no more important debate in public policy than on the place of strategy in meeting complex national challenges. This *ASPI Strategic Insights* hopefully will encourage a more structured debate about strategy's place at the heart of national policymaking.

## Why doesn't DFAT do strategy?

**Peter Jennings**

After reading Bob Carr's *Diary of a Foreign Minister*, I'm left wondering why the business of foreign policy is—well, to be blunt—so completely un-strategic. Can it really be true that 'all foreign policy is a series of improvisations', as Carr concludes, just running from one international meeting to another, from one consular crisis to another? Carr's judgement might tell us more about his short tenure than about how foreign policy could or should be made. Yet Australian foreign policy is remarkably resistant to the notion of long-term planning that is accepted as routine business in many other areas of public policy. There has been no foreign policy white paper for more than a decade. The last attempt to develop a strategic plan for foreign policy—the *Asian Century White Paper* of 2012—was an alien graft produced outside of DFAT, and it didn't take. Australia fought hard to win a UN Security Council temporary seat, but we've seen nothing since to point to a distinctively Australian view of the world from New York.

The simple fact is that Australia's foreign policymakers tend to be cautious, reactive and disinclined to commit big planning frameworks to paper. Suggestions that the Government should ask DFAT to develop a new foreign policy white paper have been greeted with a glassy-eyed silence. Seasoned diplomats would rather be slapped with a wet fish than develop *Le Livre Blanc*. In the words of the sage, why is it so?

I suggest there are five key reasons why DFAT doesn't do strategy. First, it's clear that the business of diplomacy must involve quick reactions to events that evolve outside of Australia's control. For example, the bulk of the work of UNSC during Australia's short tenure involves the Middle East and Africa. In practical terms, the best we might do is scramble to stay informed about areas where our interests aren't deeply engaged. Some experienced diplomats regard the essence of their job as the intelligent management of events, and believe that strategy by contrast is an affectation. This approach produces good crisis managers, but poor long-term planners. While the day-to-day business of *diplomacy* might well involve reacting to events, the promise of a *foreign policy* is that a carefully developed plan will help to shape the right responses to events.

A second aversion to strategy is that it constrains options and limits flexibility. For example, the main weakness of the *Asian Century White Paper* was that it narrowly defined Australia's foreign policy interests to a handful of major powers. Of course those countries are vastly important to Australia, but they're hardly the whole story—and why annoy European, African, Middle Eastern and Latin American countries by explicitly saying they're second-order priorities? While planners in other departments specifically look for ways to force choices on Governments, DFAT's orientation more typically wants to keep options open.

Third, DFAT doesn't manage long-term investment decisions in the way that Defence and some other departments do. A plan to build submarines takes almost a decade (we are told) to move from the gleam-in-the-eye to cutting steel and the boats could operate for twenty-five years after that. There's no option but to be strategically-minded to deliver military capability. By contrast, DFAT's only long-term capability project is to grow more diplomats, which they do by forcing younger staff into seemingly endless apprenticeships. Even aid projects are mostly about managing short-term contracting arrangements.

A fourth reason for DFAT's relative absence of strategy is that the in-house capability for doing it has been cut back by almost twenty years' deep financial stringency. As ASPI wrote in our 2013 Strategy, *Agenda for Change*, 'DFAT has 5% fewer staff, and 14% fewer staff overseas, than in 1996. Among the G20 nations, only Saudi Arabia has fewer overseas diplomatic missions than Australia.' While staff numbers have shrunk, DFAT's consular work load has increased, providing a different focus and a higher priority for attention than strategic planning. While I don't doubt the interest of many in DFAT to take a more strategic approach to their work, the unhappy reality is that the department would struggle to develop a White Paper in the event it was asked to write one.

Finally, governments get the policy priorities they ask for, and it has been a long time since anyone asked DFAT for a strategic policy framework of the type associated with white papers. The Howard Government issued *Advancing the National Interest* as a foreign policy white paper in 2003 and—despite its regular Defence Updates—never revisited it. Kevin Rudd didn't require DFAT's advice on foreign policy, Julia Gillard looked to Ken Henry rather than the department for the Asian Century paper. For the reasons outlined above, DFAT is unlikely to offer up a white paper voluntarily. It'll be up to the Government to decide if one is useful.

## Is DFAT doing more strategy than we think?

### Robert Ayson

In asking why Australia's Department of Foreign Affairs and Trade doesn't do strategy, [Peter Jennings has posed](#) an important question. But the question begs at least two assumptions. The first is that the government agency responsible for Australian diplomacy isn't in fact already doing strategy. The second is that we know what it looks like when strategy is being done. Those two assumptions are related—and problematic.

To know why this is the case it's necessary to get to the heart of the ASPI Executive Director's logic for the significant question he's posing. He tells us that DFAT isn't doing strategy because it lacks the interest and capacity for 'strategic planning'. It doesn't see 'long-term planning as routine business', and it's 'disinclined to commit big planning frameworks to paper'. You can see the common theme here. Strategy is synonymous with planning, especially the long-term, big-picture, formally-documented variety.

This planning view of strategy is then contrasted by Jennings with the non-strategic work he sees diplomats doing. Strategy isn't 'the intelligent management of events' which 'produces good crisis managers, but poor long-term planners'. Strategy is more likely to be found in the Department of Defence, whose managers are confronted with 'long-term investment decisions' (i.e. in relation to big military capabilities) rather than with the 'short term contracting arrangements' that running an aid program requires.

It's true that many people and organisations view strategy in this way. But almost all the worthwhile literature on strategy that I'm aware of makes the point that strategy and planning aren't nearly as synonymous as Jennings suggests. For example, under the provocative sub-heading '[Why a Strategy is Not a Plan](#)', in November 2013 *The Economist* offered a review of by far the most magisterial of those writings: Lawrence Freedman's *Strategy: A History*. On page 611 of that major work, Freedman concludes that:

what turns something that is not quite strategy into strategy is a sense of actual or imminent instability, a changing context that induces a sense of conflict. Strategy therefore starts with an existing state of affairs and only gains meaning by an awareness of how, for better or worse, it could be different. This view is quite different from those that assume strategy must be about reaching some prior objective. It may well be concerned with coping with some dire crisis or preventing further deterioration in an already stressful situation. So the first requirement must be one of survival. This is why as a practical matter strategy is best understood modestly, as moving to the “next stage” rather than to a definitive and permanent conclusion.

That means there’s probably a good deal more strategy going on in DFAT than we might first think. It’s an organisation that has to deal with Australia’s overseas partners and its potential competitors, and that’s precisely where issues of conflict often present themselves. Rather than being found in the lofty words of a Foreign Policy White Paper, strategy may be present in a richer sense in the small unseen adjustment to one of Australia’s external relationships. Jennings himself offers some support for that idea with his comment that ‘the business of diplomacy must involve quick reactions to events that evolve outside of Australia’s control’. But that’s not, as he suggests, a reason why strategy isn’t being done. It’s probably a sign that it is.

Strategy therefore becomes more of a state of mind than a formal process. Its necessary resources are intellectual more than material. Good strategy can be done with what appear to be slim resources. As [F.L.W Wood’s wonderful study](#) shows, a great deal of valuable diplomatic strategy was done by New Zealand’s government during the Second World War with the help of one major adviser (C.A. Berendsen), a tiny Department of External Affairs (established in 1943) and just a couple of overseas posts. A larger DFAT and a bigger overseas network won’t necessarily result in better strategy.

Does that mean nothing should change? Of course not. Like their counterparts around the world, Australia’s diplomats spend too much of their days on events management and logistics. It’s not good for strategic thinking when the only diplomatic conflict being worried about is the one in the diary of the next visiting delegation. But long-term planning isn’t the recipe for strategy in the diplomatic arena (or any other). What’s needed is something far less tangible but much more critical: the encouragement of a specific intellectual climate. That’s one where both short- and long-term events in Australia’s overseas relations are being consciously connected to a sharp appreciation of Australia’s interests, and where that appreciation is kept in mind as both big choices and the smallest of adjustments are being made.

## Planning? Bah! Sensible chaps just do strategy

### Peter Jennings

It’s great Robert Ayson took the time to [post a rejoinder](#) to [my article](#) about why DFAT doesn’t do strategy. Any debate about the purpose and content of strategy is a useful debate to have. But that said, I find Rob’s definition of strategy incomprehensible—a form of strategic mysticism based on ‘more of a state of mind than a formal process’, ‘the encouragement of a specific intellectual climate’ where a ‘small unseen adjustment to one of Australia’s external relationships’ can be as strategic in its effect as a white paper.

Well, how elegant! I’ll have to mention that to our special forces in Afghanistan some time. But I must concede the charge that, in my haste to diagnose DFAT’s condition, I failed to define exactly what this strategy ‘thing’ is that diplomats don’t do and Defence does diligently.

In the defence world, strategy is the planning (that word again) that drives how we use military force to promote Australia’s interests, the pointy end of which is military operations. But defence strategy has a long tail, stretching back to defining the capabilities the armed forces need to run their operations, buying and sustaining that equipment, budgeting to pay for it and training people to use it. That is indeed complex, requiring a quite deliberative effort, rather than just the right state of mind. The business of strategy might well end in combat and that produces the sense of instability that Rob refers to in quoting Lawrence Freedman. In my experience, though, strategy is seldom improved by a ‘dire crisis’—by then it’s usually too late to be making cool

appreciations of the national interest. To manage a crisis well, you need a pre-developed strategy, something that informs all those artful ‘small unseen adjustments’ DFAT officials reportedly make.

Of course most strategy isn’t directed to the design and use of military force. The type of strategy DFAT might apply in writing a white paper is more about how we should shape foreign policy to achieve long-term objectives. I can partly agree with Rob here, this type of strategy shouldn’t be about announcing desired end points, so much as it’s shaping the journey to help us get better outcomes. On this measure the Asian Century White Paper is one example of how not to do strategy. Readers might remember that document set a series of targets—Australia will be one of the world’s top ten economies per capita by 2025; our schools will be in the world’s top five by 2025, etc, etc. But how, dear Dr Henry, but how?

Rob and I would probably agree that good strategy isn’t about setting delusional targets for economic and social change. In the DFAT context, strategy is exactly as Rob puts it in his last paragraph: ‘a sharp appreciation of Australia’s interests, [that]...is kept in mind as both big choices and the smallest of adjustments are being made.’ Australia, being a consequential country, perhaps makes more big adjustments than Dr Ayson’s New Zealand, where smaller adjustments may be the norm. But the question I would put to Rob is: how, precisely, do you develop that sharp appreciation of interests? That’s strategy. One can be systematic and deliberative—and that’s what’s known as ‘planning’. Or one can dismiss that approach and pretend that sensible chaps (I use the term advisedly) just know how to do this stuff. Oops, we are back at crisis management.

## What’s strategy?

### Rod Lyon

The debate between Peter Jennings and Robert Ayson over whether DFAT does ‘strategy’ has opened up a rich vein of thinking. In essence, the debate has been less about what DFAT does or doesn’t do, and more about ‘what’s strategy?’ [Peter believes strategy is a long-term enterprise](#), typically codified by some sort of formal document that attempts to define a grand objective for policy and identifies a means for getting there. Rob [says that strategy is sequentialism](#)—it’s the art of the next step, there are no final objectives, and who cares if it’s written down? Strategy, he says, is a state of mind, an intellectual climate.

The problem, of course, is that the word ‘strategy’ has many meanings. I don’t want to become trapped in an arid debate about whether one definition is more correct than another. For about the last decade I’ve found the best definition of grand strategy to be [Walter Russell Mead’s](#). Mead described US grand strategy as ‘the US project for the world’, which strikes me as a nice way of freeing the concept of strategy from both its military strait-jacket and its usual academic prison. Mead accepts the ‘project’ isn’t written down. And I’m similarly unaware of anyone writing down the Australian project for the world. No-one writes it down for the simple reason that it isn’t the property of one person. Nor, I suppose, is it ever fulfilled, so there’s no sense of the objective’s being reached.

Strategy at the grand level changes only slowly—indeed, too slowly to be much use to a group of foreign policy or defence planners. Mead says American grand strategy hasn’t changed in 200 years because the US really wants a liberal, prosperous US in a liberal, prosperous world. I suspect most Western countries could just substitute their name at the appropriate points of that sentence and have a shorthand grand strategy of their own. Australia certainly could. But I don’t get the feeling that Peter wants DFAT merely to write that sentence about grand purpose and go back to its normal chores. He wants it to figure out how, when, where and why it sees opportunities to pursue the liberal prosperous world; how it judges the vectors of the current global and regional orders; where shaping and hedging can each be pursued to best advantage; and how Australia can define, pitch and fulfil its role as a strategic player in Asia consonant with the constraints of our limited wealth, democratic political system and declaratory settings.

This is where Rob’s theory of sequentialism leaves me unsatisfied. In most situations, there’s a choice of next steps. And the reason that some seem better than others has largely to do with where we want the world to go. Similarly, I’m not attracted to the notion that strategy is a state of mind. That sounds altogether like the advice that’s sometimes written on wrappers: ‘Please dispose of



this wrapper thoughtfully'. We could, of course, have inscribed over the portals of DFAT 'Please dispose of Australia's interests strategically', but would that do much good?

Half of Rob's criticism of Peter is that strategy isn't just about planning. That's perfectly true. I don't think a strategic plan has to be linear and rigid, but 'let's just wing it' isn't a strategy—it's a counsel for inspirational spontaneity. When commentators say they want DFAT to have a closer connection with strategy, they typically mean they want the organisation to think hard and long about Australia's interests and how the department can best promote them.

But I disagree with Peter that this is solely a DFAT failing. Peter says DFAT doesn't do strategy, while Defence does it diligently. Personally, I think they're both pretty bad. Government as a whole struggles with strategy. If strategy was as dominant in our Defence Department as Peter says, the Strategic Policy Branch would be a key driver of policy. It isn't. I'm happy to admit that within the senior ranks of Defence there's a small cadre of people who we could call strategic thinkers. But the institution as a whole doesn't like strategic thinking. Indeed, I suspect many in the department—a department where the doers outnumber the thinkers—like the white paper process as a means of corralling 'the vision thing', safely imprisoning ideas in relatively lengthy documents that few people read. Rob's right that Defence does planning much more than it does strategy.

There's a simple test for whether writing more white papers would be good for DFAT: did the department make a better fist of advancing Australia's national interests after the 2003 White Paper than it has done recently? I think the evidence is marginal. That doesn't mean there's no virtue in writing white papers—just that there's less virtue than some might imagine. Writing white papers shouldn't be a substitute for what DFAT and Defence both need to do: grow the pool of talented strategic thinkers. That's harder to do than it sounds. Promoting those thinkers to positions of influence is then a whole separate challenge. Interestingly, I think Peter and Rob both want to see strategy become a greater influence on policymaking on a daily basis. On that point I wholeheartedly concur.

## The lost meaning of strategy

### Brendan Taylor

Strategy has long been a contested concept. Yet despite all of the debate surrounding the term, strategy ultimately concerns the relationship between *military* means and *political* ends. As the British strategist and military historian Basil Liddell Hart [famously observed](#), strategy is 'the art of distributing and applying military means to fulfil the ends of policy'.

Against this backdrop, there's been some loose language thrown around on the pages of *The Strategist* over the last few days. Peter Jennings started us down this slippery slope when he asked 'why DFAT doesn't do strategy' and implored the Government to task DFAT to develop 'a strategic policy framework of the type associated with White Papers'.

Rob Ayson takes issue with Peter, contending that DFAT is already doing strategy. His assertion is one I find somewhat troubling, however, because unless our diplomats have a few battalions hidden away in the bowels of 'Gareth's Gazebo' the term 'strategy' applied to DFAT really is a misnomer. In answer to Peter's question, DFAT doesn't do strategy because it shouldn't.

In this respect, I also disagree with Peter's claim that 'most strategy isn't directed to the design and use of military force'. For as strategists going back to Clausewitz have observed, that military component is a defining characteristic of the term when used correctly.

Rod Lyon is equally untidy in his contribution when he seeks to circumvent what he terms an 'arid debate' about definitions of strategy by slipping straight into Walter Russell Mead's definition of 'grand strategy'. To be fair to Rod (and to Peter and Rob for that matter) there have been periods in history when definitions of strategy, grand strategy and even foreign policy have become synonymous. The classic case was the Cold War, where the all-consuming nature of the nuclear threat led to a conflation of those terms.

But in today's world of much broader and more diffuse threats and challenges, strategy and grand strategy are no longer one and the same. Grand strategy is a much broader exercise involving the coordination of all of the resources that a nation state has at its disposal—economic, political, geographic, diplomatic, cultural and military—with a view to preserving and enhancing that state's interests. To define 'strategy' in this way, however, deprives it of almost any meaning. Or as Richard Betts [more colourfully puts it](#), it risks creating a situation where the 'military core may become a pea lost in an amorphous ball of wax'.

It would be all too easy, of course, for Peter, Rob and Rod to dismiss these concerns as academic nitpicking of little relevance to 'real world' policymaking. On this point, the Oxford Professor Hew Strachan begs to differ. In his seminal *Survival* article, '[The Lost Meaning of Strategy](#)', Strachan cautions against the practical dangers in applying the term strategy too liberally. He points to the example of the so-called 'War on Terror', attributing the difficulties America faced in waging that campaign to a product of its failure 'to relate means to aims (in a military sense) and to objectives (in a political sense)'. In his terms, 'it abandoned strategy'.

Lest he be accused of anti-Americanism, Strachan is also critical of his own government, particularly the encroachment of its Defence Ministry into the realm of foreign policy and the government's use of 'the armed forces as their agents of peace as well as in war'. In his judgment, Britain no longer has 'an identifiable government agency responsible for strategy (despite the Foreign Office's apparent but perverse claim that that's its task)'.

Given Australia's own current preoccupation with 'defence diplomacy', could there be lessons in this for us perhaps? For at its most fundamental, strategy is about enabling the government to use force, if necessary, to achieve its political objectives. As Strachan notes, 'strategy is not policy; it is not politics; it is not diplomacy'.

To use strategy interchangeably with such terms only invites incoherence. This is a dangerous path to go down. For as Professor Strachan concludes, 'awesome military power requires concepts for the application of force that are robust because they are precise'.

## Yet more on 'strategy'

### Nic Stuart

As readers of this post will undoubtedly recall from schooldays spent declining Greek nouns, the word *strategos* means 'general'; hence our word, 'strategy', or the 'art of generalship'.

Of course leadership in war was never really simple, even back then before crypto codes and chinagraph pencils were invented. [Source documents](#) from the ancient period normally focus on the victory itself, or who won, rather than the specifics of the clash of arms and details of battle. When an incident is highlighted, it's often because something out-of-the-ordinary has occurred. Roman writers take the tactical method of the legionaries for granted, just as Thucydides felt little need to describe the terror and chaos of charging in the front rank of a phalanx. Perhaps he thought all his readers would have 'done' that, just as he had.

Yet it's obvious that even [these early chroniclers](#) understood victory depended on much more than just using successful tactics to gain the advantage. Gradually, the word 'strategy' began to include all those ancillary things that go towards explaining why one side wins and the other is defeated. The sort of things we think of when we talk of strategy today.

The Byzantines were among the first who forced the word to do more than it was meant to. Ever industrious, they began making it work overtime, turning the *strategos* into rather more of a military governor than simply a senior officer. But it was a world attempting to make sense of the massive wars that convulsed Europe in the nineteenth century that really started the trend that burdened the word with more meaning than was ever intended.

Rather like the rest of us, the poor word has been forced to carry more and more responsibility with less and less pay. Today, with merely the addition of an occasional prefix (such as 'grand'), it's become increasingly loaded. 'Strategy' now covers everything from the work of a commanding general right through to [culture](#) (making us all think correctly) and [business](#) (so we'll buy more

widgets). It's now being expected to define the thinking work of politicians, too. We look expectantly to our leaders, waiting for them to offer us a plan (a 'national strategy') that will somehow make the country rich and us prosperous. Ask yourself; is this really fair?

In the last couple of months two leading strategists have decided the answer to this question is a resounding 'no'. Lawrence Freedman (my former professor of War Studies at Kings College, London) weighed in with a [752-page tome](#) that ranges knowledgably over every aspect of the subject; and Hugh Strachan (who hosts delightful lunches at All Souls, Oxford) provides a sharp, refined, analysis of the subject, always keeping it firmly lodged in [historical perspective](#). Their contributions to the debate are different and worth reading, because strategy is about victory. It is, in other words, the ultimate reason for war.

And this is why our idea about what strategy might be has expanded over recent years. But I'm already approaching the end of my word limit for this post and I haven't even begun to proffer my own definition—so perhaps it's better to attempt to identify what it's not.

If you wasted your childhood like me, playing games called 'Diplomacy', you were secure in the knowledge that, as supreme leader, you never had to answer to the populace. That was the real-world case for dictators like Hitler and Stalin, too. They could ally with one another to divide up Poland before suddenly attempting to tear one another apart. For them, grand strategy really did involve complete mastery of the nation's resources.

But leaders today, and particularly ones in democratic countries like our own, don't have that luxury. Take our relationship to the East China Sea. Personally, I think Australia should make it clear we'll be keeping well away from any dispute in those waters—I think the danger of getting sucked into a disastrous, accidental conflict is far too great. But that's my political perspective, if one informed by strategic understanding. Others, and perhaps most Australians, would disagree. Many couldn't imagine us standing by (as the Canadians and Brits did during Vietnam) if the US was at war.

This is why the decision to go to war will never be made on strategic grounds alone: it'll be taken on political, cultural and emotional ones. That's why I believe we've got to be careful when we attempt to use strategy as an analytical tool. It can inform our decisions, but it's important to remember strategy remains, simply, a method that's used to achieve a result. Primacy should always be given to politics. Unfortunately.

## Foreign ministries can and should 'do strategy'

### Lance Beath

Peter Jennings' post '[Why doesn't DFAT do strategy](#)' has resulted in a series of posts that explore both the nature of strategy and the claim that DFAT doesn't do strategy. This claim, readers will recall, was prompted by Peter's reading of Bob Carr's *Diary of a Foreign Minister*, in which the Senator observes that in his experience 'all foreign policy is a series of improvisations'.

Of course, if that were literally true, it would be an indictment on DFAT. But I've heard a similar lament from New Zealand foreign affairs officers that foreign policy is 'just a reaction to one damn thing after another'. Or as John Foster Dulles once remarked, 'the great thing to remember in this business is that at any one time one third of the world is asleep. But the other two thirds are awake and making trouble'.

Still, perhaps we shouldn't take everything we read or hear from our DFAT or MFAT colleagues at face value. Like Rob Ayson, I don't think the absence of a recent Australian White Paper on Foreign Affairs, or the musings of a former Australian Foreign Minister who sums up his time in office as 'just running from one international meeting to another, from one consular crisis to another', is necessarily evidence of a lack of strategic thought or capacity within DFAT. After all, it would hardly be possible for Australia to have gained a seat on the UN Security Council without having given its candidacy significant thought, and without the expenditure of some serious resources to secure the desired result.



I agree with Peter Jennings, though, that there's a predisposition in DFAT and MFAT to avoid what they see as the straitjacket of a strategic framework. And I agree with Peter that this disinclination to 'do strategy' is regrettable. Why? Because government departments that don't subject themselves to the discipline of prior strategic thought and analysis will indeed end up exhibiting the reactionary pathology that Bob Carr writes about. A policy of simply reacting to events is transactionism writ large. It's akin to having a policy of no policy at all. It's hardly the route to achieving the kind of influence in the region and further afield that a country of Australia's strategic weight aspires to have: to be the shaper, not the shaped.

Is strategy best thought of as a 'state of mind rather than as a formal process' as my colleague Rob Ayson urges? Certainly not. If that's what Lawrence Freedman also believes—Rob quotes him at length—then I despair. A state of mind, no matter how elevated, won't produce the necessary requirements of good strategy: best defined, I believe, as honest problem diagnosis, a long-term view of objectives, an understanding of the critical factors at play, a coherent and coordinated response involving critical choices made, resources committed, purposeful action and relentless follow up.

Some readers may recognise that I'm drawing from Richard Rumelt here. His book *Good strategy, bad strategy* is one of the more useful strategy texts I know. And while Rumelt depends heavily on military examples to illustrate his theme, his advice isn't limited to military audiences. Indeed, his primary audience is the US business community.

Incidentally, Brendan Taylor's reading of Hew Strachan's seminal paper '[The Lost Meaning of Strategy](#)' takes exceptionalism too far. It's a mistake to argue that strategy should be confined merely to the relationship between military means and political ends—and that, for that reason, DFAT shouldn't do strategy. I think that's an extraordinary view.

I know Clausewitz argued, in effect, that strategy is the bridge between political power and military instrumentality. But Clausewitz was considering the phenomenon of war in the Napoleonic era. Modern society can, and must, take a broader view.

In short, as [Geoff Mulgan argues](#), strategy is the business of attempting to find coherent, long term answers to the simple question that all of us must ask of ourselves and our organisations: where is it that we want to go and how will we get there?

Can foreign ministries do strategy? Yes, certainly. Ask the government in Kiev, as it surveys what's left of Ukraine, whether the Russian Foreign Ministry does strategy. Or ask the Vietnamese, or the Japanese, both facing a government that certainly does long-term strategy, as we can readily see in events currently unfolding in the South China Sea, in Africa, and elsewhere. Should the Australian and New Zealand Foreign Ministries do strategy? Yes, absolutely—it's the only way to prevent the urgent crowding out the vital.

Can Defence organisations teach their diplomatic colleagues how to do strategy? Yes. But so can business, and arguably better so. The strategy literature coming out of our Schools of Business and Government these days is in many ways richer and more informative than that from our military colleges.

Let me finish by citing Rod Lyon. The Australian government as a whole, he says, struggles with strategy. The same is equally true for New Zealand. That suggests a role for both ASPI and the New Zealand Centre for Strategic Studies to take on the educational task of lifting the level of strategic performance of both governments across the board. So that, as Rod argues, Australia (and New Zealand) can 'define, pitch and fulfil (their) roles' in Asia consonant with the constraints of wealth, political systems, declaratory settings, and (Rob Ayson's final thought, picked up also by Peter Jennings) a 'sharp appreciation' of their national interests.

## Foreign Affairs and the strategy business

### Anthony Bergin

I found [Brendan Taylor's view](#) that Foreign Affairs shouldn't do strategy because they don't have a 'few battalions hidden away in the bowels of 'Gareth's Gazebo' somewhat bizarre. Along with the Defence Minister, Foreign Minister Julie Bishop sits on the National Security Committee of Cabinet, which considers the major national security issues facing this country. So too does the

Treasurer, the Attorney General and the Immigration Minister. The Deputy Prime Minister, who's the Minister for Infrastructure and Regional Development is also a member and the Finance Minister is co-opted as required.

Apart from Defence, none of those ministers have a 'few battalions hidden away in the bowels' of their departmental offices. But all are expected to be across the delicate business of strategy for key decision-making purposes—and it's not unreasonable for them to expect their departmental staff to be able to advise them in that regard. So perhaps we should be thinking about strategy in a broader rather than a narrower sense.

Rather than just focusing on the use of military force, it'd be useful to see how business thinks about strategy. After all, if a company doesn't have a sound strategy it won't stay in business for long. I [concur here with Lance Beath](#) that one of the more useful strategy texts is Richard Rumelt's book, *Good Strategy, Bad Strategy*.

Rumelt holds a chair in business and society at UCLA Anderson School of Management. His book argues that the core of good strategy is discovering 'the critical factors in a situation and designing a way of coordinating and focusing actions to deal with those factors'; that bad strategy covers up its failure to guide by embracing the language of broad goals, ambition, vision, and values; and that a strategy that fails to define a variety of plausible and feasible immediate actions misses a critical component.

Rumelt argues that for corporate strategic planning purposes leaders must identify the 'critical obstacles to forward progress and then develop a coherent approach to overcoming them'. Indeed he notes that most strategic plans have little to do with strategy: they're 'three-year or five-year rolling resource budgets, and they coordinate deployment of resources—but that's not strategy'.

Rumelt points out that strategy starts with identifying changes and that strategic thinking 'helps us take positions in a world that is confusing and uncertain'. A lot of strategy work, he says, isn't just deciding what to do, but a more basic problem of 'comprehending the situation'. He emphasises that a good strategy is, in the end, a 'hypothesis about what will work. Not a wild theory, but an educated judgment'.

I think many of us who've read 'strategy' documents would agree with Rumelt's observation that: 'Bad strategy is vacuous and superficial, has internal contradictions, and doesn't define or address the problem. Bad strategy generates a feeling of dull annoyance when you have to listen to it or read it'.

[Lance Beath](#) is correct that business schools can teach both military organisations and diplomats how to do strategy. The [Strategic and Defence Studies Centre](#) might even consider adding some business strategy readings to their course guides.

## Why strategy isn't navel gazing

### Robert Ayson

The strategy debate on this blog has come to resemble a major crisis in the South China Sea where the interactions between multiple claimants almost take on a life of their own. What started with [Peter Jennings' argument](#) that Australia's Department of Foreign Affairs and Trade was not doing strategy, has ended up verging on an exercise in gatekeeping. Brendan Taylor [wants us to restrict strategy](#) to the relationship between military means and policy, which then becomes the essential core of strategic studies as an academic subject. But [Lance Beath](#) and [Anthony Bergin](#) want us to blast the gates wide open so that business organisations, which are even less likely than foreign services to have their own battalions, can be recognised as the keepers of some precious strategic logic.

My own teaching and thinking has always tended to come down closer to Brendan's position but for somewhat indirect reasons. Not because strategy should focus on the use of force for political purposes, as to do otherwise risks the incomprehensibility of too wide a palette. Not because, [as Nic Stuart suggests](#), 'strategy is about victory. ... the ultimate reason for war'. And not because thinking about big military capabilities requires what Peter has called '[a quite deliberative effort](#)'. Instead, I think that the political questions and choices related to the use and threat of force illustrate strategy in its starkest and most vivid form. To understand strategy is to appreciate the interactions and interdependencies of two or more purposeful actors, and we see that displayed most

directly in questions of war and peace, coercion and accommodation. That to me is the genius of Clausewitz: not his argument that strategy is the link between war and politics, but the attention he gives to the processes of combustion and restraint that can occur when opposing sides interact, each using force for their sometimes conflicting purposes.

That sort of understanding of strategy requires an external, outward-looking view. Even when we think about strategy as the link between political ends and military means, as Brendan encourages us to, we can still remain too focused on internal matters. This risk is present in Defence White Paper season where questions are encouraged about whether Australia is linking its defence resources to its policy objectives. We see a similar tendency when strategy is taken to be a question of internal coherence, where the concern is over how well our activities are linked to our bigger overall aims. Such dangerously self-regarding logic is often on show when strategic excellence is seen as a function of internal coordination, demonstrated in the excessively optimistic attachment to ‘whole of government’ approaches.

Strategy occurs when purposeful actors interact with other purposeful actors and when they’re anticipating each other’s next moves. That’s why strategy is a state of mind, an interpretation of mine that many of the contributors to this debate oppose but I’m still keen to promote. It’s a question above all of recognising and appreciating the external and interdependent logic of strategy, and then, of course, doing something about that. That’s why some of the most important strategic behavior of any foreign service, to go back to [my original post](#) in this debate, can be found in the daily interactions with the representatives of other states. It’s why some of the least strategically significant behavior happens when large organisations become overtaken by internal processes. That’s the reason for Rod Lyon’s [observation](#) that defence as well as diplomatic agencies can be found short of strategic thinking. Those same interactions, where another actor’s behavior shapes our own, are why strategy in practice is seldom about reaching the goals that are originally set, and why Freedman’s notion of getting to the next stage is so apt.

Exactly the same question of strategic interaction is evident in the several interlinking crises in the South China Sea. Here we see plenty of strategy going on between and among the main players. It can even be found in the approaches being taken by some players who lack serious resources or a willingness to use much of what they have. Even those who bluff are engaged in an ancient form of strategy. But they’ll need the services of some able diplomatic strategists if they’re to be ready for the next round.

## Strategy: beware the four horsemen of policy eclipse

### Peter Jennings

The debate over what constitutes strategy has been enjoyable but, inevitably, failed to reach a shared agreement over the proper shape of the beast. That’s all to the good because strategy is a big concept and should be broad enough to encompass different approaches. I remain puzzled by Rob Ayson’s view ([here](#) and [here](#)), with its Wagnerian picture of strategy—all purposeful interaction. And [Brendan Taylor](#)’s hard-line view, that strategy must be tied exclusively to the use of military force, although admirably Clausewitzian, also strikes me as just too narrow for modern-day needs.

But let’s put those differences to one side. All our debaters hopefully share one view, which is that whatever it is, however it’s done, more strategy is needed to improve government policymaking. Yet—and here I go back to my original post about policymaking in DFAT—strategy struggles for air right now as a viable policy tool. Make no mistake, dear readers, the enemies of strategy walk amongst us, not just in Canberra, but in the capitals of most countries we count as allies and friends. Think of the policymaking world as a market: some goods sell, others linger on the shelves. Over the last decade or so, two of the biggest selling items in this market have been risk-reduction and crisis management. Those are qualities attractive to many governments. Strategy conceived of as complex, multi-faceted, long-term planning (as opposed to Rob’s purposeful Norse God wrestling matches) hasn’t been such a seller. As in any market, if there’s no demand for a good, sooner or later it will go out of production.

Strategy’s future depends on our capacity to vanquish its policymaking enemies: short-termism; risk aversion; groupthink; and failures of imagination. Think of these as the four horsemen of policy eclipse. (I must be warming to the strategy-as-Wagner theme.)

Policy short-termism is driven in Australia by three-year terms for the federal government and by the impact of 24/7 news media coverage. Those two cycles constrain government behaviour, often forcing quicker reactions and outcomes than policymakers can deliver. To take a practical example, the Government's National Commission of Audit was given a remit no less than to review the quality of all federal government expenditure. Announced in late October 2013 the commission finalised its massive report in mid-February 2014. Government was criticised for not releasing the report until 1 May. Media coverage of the report lasted no more than a couple of days before attention turned to the budget. The whole exercise was hatched and dispatched in barely seven months. The speed of modern politics played out in the media overwhelms strategy.

Risk-aversion undermines the ability of strategic planning to look for new or unexpected solutions to policy problems. Public servants are rewarded for managing risks away, but risk-taking is often an essential part of producing better policy: think of John Howard proposing an East Timor referendum on independence or of Gough Whitlam opening ties with China. Risk-free policy usually means strategy-free also.

Group-think isn't a new concept, but Canberra is susceptible to it for a number of reasons. First, it's just a reality that much of the policymaking community is cut from the same cloth—a noble fabric to be sure, but one that's lacking in diversity. The community tends to school like fish. There are well defined channels for political and public service career success—you only climb a greasy pole one way and that tends to produce widely-shared assumptions and behaviours. Second, Canberra doesn't have easy access to the business community or other sectors that can bring different perspectives to bear. For strategy-makers, the problem is how to challenge assumptions and unseat old approaches to problems. Are we really being innovative or are we just doing another turn around the fish-bowl?

Finally, there's lack of imagination. Show me an imaginative bureaucrat and I'll show you someone who wants to redesign their job. The reward system isn't really geared to undisciplined creative types. Bow-ties are barely tolerated. But strategy does require imagination and a willingness to question why current policy settings are as they are. Bureaucracies need to find room to allow red-teams and internal-challenge processes. Governments need to find ways to call on this type of policy innovation. Indeed a number of recent Prime Ministers have said they want more imagination applied to policy development.

The four horsemen of policy eclipse are certainly out riding on the Molonglo plain. Those who value strategy need to take account of the challenges they present. Notwithstanding the challenges, good strategy is still the key to shaping good policy. It's an essential skill for any organisation to nurture and one that ultimately rewards with lasting policy outcomes.

## Grand strategy, strategy and Australia

### Neil James

When discussing what 'strategy' is—or isn't—we surely need to distinguish between strategy and grand strategy, not least because of the longer timescales, wider disciplines and deeper understandings involved with the latter.

Australian grand strategy stems from our enduring geographic, demographic and economic underpinnings. It also takes account of potentially less-enduring aspects, such as international law and practice, and domestic constitutional, political and socio-cultural inputs. Our grand-strategic goal for the next century or longer is perhaps best summarised as maximising our sovereign freedom of action as a nation-state.

Uniquely, Australia will remain an island-continent, at least until the next ice age uncovers the land bridge to Eurasia again. The strategic value of that geographic status is enhanced by Australia being the only continent wholly the territory of one country. While rich in many offshore and onshore natural resources, over 80% of our landmass is arid or worse—thereby placing limits on population spread, and ultimately size, not applicable to other populated continents. Technology is unlikely to cancel out those geographic and demographic constraints for the imaginable future.

In a grand-strategic sense, our freedom of action also depends on preserving sole sovereignty over our continent. National unity is therefore essential and much more than just a federalism, citizenship-equity or patriotism issue. Moreover, controlling potential population flows into Australia on our terms has profound national sovereignty implications—missing, incidentally, from most asylum-seeker debates.

Since the land bridge disappeared, Australia has twice faced direct, existential-scale, threats to the society and polity of those living here. First, the settlement of Australia by the British ended existing Aboriginal political, economic and social structures. Second, the rise of Imperial Japan from the late 19th to mid-20th centuries, posed the risk at best of total subjugation of our strategic freedom of action and, at worst, outright conquest.

Two other general strategic risks had potentially existential consequences. In the early to mid-20th century there was a possibility Imperial Germany, and perhaps later Nazi Germany, might end the British global maritime supremacy that underwrote Australia's whole way of life as a state dependent on seaborne trade. In the second half of the 20th century, the Cold War, and particularly the threat of global nuclear catastrophe, also meant modern Australia as we know it might end.

All those existential threats and serious risks have come by or over the sea. Moreover, the two most important battles shaping modern Australia each resulted from maritime trade rivalry and associated conflicts. The global maritime supremacy won at Trafalgar in 1805 enabled the British to settle and develop Australia throughout the 19th century unhindered by the strategic rivalries that had so troubled their activities in North America in previous centuries. And the global maritime supremacy established by the US at Midway in 1942 has underpinned Australia's wellbeing for most of the last century.

In grand strategic terms modern Australia has always been a maritime-trade dependent country and will be for the imaginable future. From 1788 until quite recently all our major trading partners (UK, USA, post-war Japan) were also major allies, but that no longer applies. Does that matter? Does the economic resurgence of China fundamentally change Australia's security over the long term? Or is it only a highly-revisionist China that constitutes such a risk, and if so, is it a short- or long-term one?

Although many have tried, no entity on the Eurasian landmass has yet succeeded in sustaining regional, and later global, strategic supremacy as both a continental and a maritime power. Similarly, since the rise of maritime powers located outside Eurasia in the 16th to 20th centuries, not one has sustained the ability to subdue even parts of that landmass by other than a maritime strategy (perhaps supplemented by continental alliances). That has remained true even after the advent of airpower, nuclear weapons and ICBMs.

Even if China was able to buck the trend by becoming rich enough before it got old, the longer timescales integral to grand strategy apply. Could that double supremacy be sustained? In particular, could it be sustained in the more-likely-than-not case that China's political system eventually becomes one where the government is truly accountable to the Chinese people and much less likely to overturn rules-based international stability?

We're looking at a race against time over the shorter term, not the longer one. The chief risk is that the existing international system breaks down before China's authoritarian regime does, with China resorting to strategic coercion, regionally or globally, to get its way. That might include, in Australia's case, attempts to 'Finlandise' our strategic freedom of action.

The so-called 'China choice' debate misses much of that logic. Even excluding a host of historical, political, legal and cultural factors, does anyone seriously believe Australia won't continue to be a maritime power and seek mutual security in strategic alliances with other regional and global maritime powers within a rules-based international system?

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Strategic Insights are shorter studies intended to provide expert perspectives on topical policy issues. They reflect the personal views of the author(s), and do not in any way express or reflect the views of the Australian Government or represent the formal position of ASPI on any particular issue.

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