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Crisis 'raising security risk'

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NATIONAL security could be at risk if Australia's strategic partners are damaged by a prolonged financial crisis but non-aligned countries recover quickly, according to leading defence scholar Paul Dibb.

Speaking at the Future Summit 2009 yesterday, Professor Dibb said Australia might have to choose between historical military alliances and contemporary economic partners if fighting broke out between the world's pre-eminent powers, the United States and China, in coming years.

"I fear that if this crisis is prolonged, that Australia will be more alone in a more unstable world," Professor Dibb told a plenary session on the impact of the financial crisis.

"And (a world) whose values we do not share — the sorts of values we are not used to," he said.

The summit, which continues in Melbourne today, is hosted by Australian Davos Connection.

It allows business and community leaders to discuss ideas and challenges for Australia's economic direction.

Last year's financial sector meltdown was the "equivalent of a full-scale invasion in military circles", according to Professor Dibb, who is a former deputy secretary of the Defence Department and a former director of the Defence Intelligence Organisation.

Professor Dibb is now emeritus professor at the Australian National University's Strategic and Defence Studies Centre.

He said he thought the economics and financial analysis professions needed "to take a good hard look at themselves, because this time last year we were told everything was fine".

Panellists in yesterday's sessions agreed that despite the financial breakdown, brought on by the subprime crisis in the US home market, capitalism was still alive but would never be the same again.

This story was found at: <http://www.theage.com.au/national/crisis-raising-security-risk-20090518-bcra.html>

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