Australian policy makers were among the first to adopt the idea of the Indo Pacific as one that captured the set of emerging relationships, interdependencies and dynamics that would determine security and prosperity for Australia and much of the rest of the world in coming decades.\(^1\) The first Australian Government publication to use the term was the 2013 Defence White Paper\(^2\) and the term has been central to governments from both sides of politics since then, featuring in the 2016 Defence White Paper\(^3\) and in the Foreign Policy White Paper\(^4\) of 2017.

Australian policy-makers like the idea of the Indo-Pacific because it seems best-placed to help understand and navigate the multipolar future of our region and the wider world. The Indo-Pacific on a map immediately brings together the major powers and economies that are shaping much of the global economy and global security system. It is a concept that is contested and which engages the resident powers of North Asia — Japan and China — the Pacific power of the United States, and the growing strategic and economic weight of India. South East Asia sits right in the middle of the Indo-Pacific system — geographically and probably strategically, and Australia too straddles both the Indo and Pacific geography.

If the concept is bounded by the Indian subcontinent, and runs up and through to North Asia and across the Pacific to the United States, it takes in over half the globe’s population and includes a combination of many of the world’s most rapidly developing and strongest economies (and militaries). Other boundaries for the Indo Pacific have been proposed which make its reach even greater. As a notable example, India’s Prime Minister Modi in 2018 proposed\(^5\) a definition which takes in the East Coast of Africa. The resolution to these differing definitions may be to seek the overlaps and to recognise that the differing

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boundaries are really statements of different nations’ priorities and proposed reach and focus.

In contrast to the long-used term Asia-Pacific, the Indo-Pacific doesn’t centre naturally on the relationships and dynamics in North Asia, as affected by the US. So, it is a concept that allows for a more natural integration of India into the strategic system of the region. No doubt, viewed from Beijing, the Asia-Pacific is a mental model that is more attractive, because it is the one more likely to place China at the heart of it, while the Indo-Pacific broadens the dynamics, seems to dilute the importance of China, and makes centring on China both less sensible and less likely. Economically, too, the Indo Pacific makes sense, primarily from the perspective of flows of goods and services across and between the Indian and Pacific oceans. The map of actual ship movements across the Indo Pacific derived from the Australian Government’s 2013 Defence White Paper shows this well.

The density of connections between North Asia and South East Asia is striking, as is the diffuse but very high volume of connections between the US and Pacific states. But the clarity of the Indian Ocean’s connections through these trade flows to states across the Pacific is stark. The densest set of connections across the whole Indo Pacific system are the ones flowing through South East Asia through the Malacca Straits and to and from India and the Middle East. So, the Indo-Pacific makes sense from the perspectives of geography, strategy and economics.
From a political and foreign policy perspective, it is also a way of thinking that provides some useful levers and approaches. Clearly, the directions of two of the world’s great powers – the United States and China – along with the dynamics of their broad and complicated relationship will have an enormous impact on the shape and nature of the regional environment. However, neither of these powers can expect to exert defining power across the expanse of the Indo-Pacific unilaterally, or at least, in the face of opposition to their use of power by combinations of the other ‘multipolar actors’ in the region.

As the Secretary of Australia’s Department of Foreign Affairs and Trade, Frances Adamson, has said when describing why the Indo-Pacific concept matters to Australia and how it connects to the idea of a free and open Indo Pacific:

‘our security and our prosperity depend on maintaining an open, inclusive and stable region.⁴ We are outspoken on the need to ensure our region supports a rules-based international order, and demonstrates the benefits of a liberalised trading system, particularly in the face of growing protectionism. Other nations, such as the US, Japan and India, are also talking and thinking about foreign policy to shape an open and stable Indo-Pacific as it undergoes rapid change — economic, demographic and technological.’… ‘And with economic dynamism comes strategic dynamism — the Indo-Pacific is the region where the great powers will largely determine the way that the international order evolves.’⁵

What is most attractive, though, is that the Indo-Pacific concept is a way of managing the Chinese state’s growing power and its use of that power, while also providing a vehicle for continued economic integration of the Indo-Pacific states and populations. The Free and Open Indo-Pacific (FOIP) concept is one that appeals both to Australian values and to Australian interests, pretty much in equal measure. To quote Frances Adamson again: ‘At the core of it, Australia seeks an Indo-Pacific that is stable and prosperous.

‘We support a region:

• where countries engage in dialogue and resolve disputes peacefully in accordance with international law,

• where open markets and economic integration allow societies to benefit from trade, and the growth of jobs, income and skills through investment, and

• where major global powers remain engaged and play a constructive and consistent leadership role in strengthening regional institutions and norms.
It is a first-order priority for us to ensure that the geostrategic changes that are underway do not disrupt the stability that underpins our region’s growing prosperity. In particular, the emerging role that China forges for itself will be pivotal to the future of the region.

Free, open and inclusive are all ideas that fit with Australian policy directions and Australian values. However, at the same time, any work to implement the FOIP concept must take account of other regional actors’ perceptions and directions. For example, an understandable view from states without open democratic systems of government might be to wonder whether or how the free and open idea might apply to the domestic operations of states. Does it raise the prospect of other ‘FOIP powers’ seeking to intervene in the domestic affairs of states who do not practise a liberal democratic style of government? My view is that the FOIP concept is mainly about the environment in which states relate to each other, regulate trade flows, manage security issues and challenges and maintain an environment that allows free and open exchange of goods, services and ideas. It is not aimed at creating a single system of government across the disparate states and polities that make up the Indo Pacific, although it is designed to create a sense of common destiny and a sense of the public good for all from implementing the FOIP vision (the overlaps between the main articulations of the FOIP are so strong that I think it is sensible to talk of an overall FOIP vision).

The Three Problems

There are three main problems with the FOIP’s further development and implementation, though. One involves China, one involves the United States and the other involves ASEAN. Out of these, the main problem is that, measured by its actions and policies, the Chinese state has no intention of signing up to behave in ways that conform with this beautiful vision. As an example, despite many words to the contrary, the evidence of Chinese militarisation and seizure of disputed areas of the South China Sea shows that Xi’s China has no intention of behaving in accordance with international law where this gets in the way of naked self-interest enabled by raw national power.

In fact, the Chinese state is advocating and seeking to create an alternative vision for the region’s future— one centred on the China Dream. This alternative vision places China at the centre of the region’s economy. It is underpinned by President Xi’s Belt and Road Initiative, but it also involves other nations deferring to Chinese power and shaping their own policies and behaviours accordingly. Xi Jinping describes a ‘win-win vision’ of ‘peaceful development’. Actions and policy tell a different story, one which continues the Chinese state’s model of emphasising economic benefits from engagement and downplaying political and strategic consequences—at least until the combination of growing Chinese power and
pressure, combined with a sense of economic enmeshment seems to narrow other options, and so creates the circumstance where others compromise their own national interests and polices to avoid coercive economic and political measures from Beijing.

In short, the ‘China Dream’ President Xi offers to the peoples and governments of the Asia Pacific is the same bargain Deng Xiaoping made with the Chinese people: economic liberalism and growth in exchange for silence or compromise on political directions that conflict with those of the CCP-led Chinese state. This is consistent with China’s then Foreign Minister, now senior member of the Central Committee of the CCP, Yang Jiechi’s line from 2010: ‘China is a big country and other countries are small countries, and that’s just a fact’.

The negotiations with ASEAN nations over a Code of Conduct for the South China Sea seem to provide further evidence about this governing philosophy for China’s interactions with other states. It demonstrates that negotiated settlements with the Chinese state are about others agreeing to Chinese positions—in this case, the negotiations have continued for over a decade. Chinese demands have become more apparent over this time as China’s perceived power has grown. They now openly include giving China the power to veto other regional nations’ exercising with ‘external powers’ as well as being able to veto resource development within other states’ EEZs involving companies from outside the signatories of the Code.

Political leaders, officials, academics and business-people from Delhi to DC understand the implicit bargain President Xi is offering to regional states. A revealing survey of over 1000 South East Asians from governments, academia, the business and non-government sectors conducted by Singapore’s ISEAS shows this well. Despite the reassuring language repeated by Chinese leaders, the prevailing understanding in South East Asia is that, while China’s growing strategic and economic power is acknowledged, over 45 per cent of respondents see that China seeks to be the regional hegemon, and only 9 per cent think that the Chinese state will be a benign hegemon. This is simply not a free and open Indo-Pacific. It’s more of a Prosperous and Deferential Asia Pacific (PDAP), with Chinese characteristics. Given this, any FOIP concept needs to include how it will operate in light of a very different method of operating and relating to others being practiced by Xi’s China. To date, a clear-eyed articulation of how the concept might still operate in the face...
of this obstacle has not materialised.

That brings us to the second main problem for further development and implementation of the FOIP concept – which is all about the reliability and consistency of US policy and action in the Indo-Pacific. The news here is mixed. In one way, US policy is becoming more consistent and clearer – in relation to the challenge that Xi’s China poses to US strategic and economic power, globally, but more particularly in the Indo-Pacific and - most acutely - in North Asia and out to the ‘second island chain’ which covers South East Asia. While much of the light and noise is focused on the Trump tariffs\(^5\) and the ‘trade war’\(^16\), the bigger underlying dynamic in American policy and business circles, crossing the otherwise toxic partisan Republican-Democratic Party divide, is one of growing determination to prevent the concert of Chinese state institutions, policies and practices and Chinese corporations from undercutting American technological and economic advantage. Speeches like those by US Vice President Mike Pence at the Hudson Institute last October\(^57\) have begun to flesh out this US consensus, which builds on the Trump Administration’s National Defence Strategy\(^18\) and National Security Strategy\(^19\).

While the mysteries of the deal-making President Trump may undercut this emerging consensus and resulting policy approach towards China in the short term, it seems likely to flavour much of what this remaining term of the Trump presidency does on its relationship with the Chinese economy and the CCP-led state, and it’s even more likely to shape US policy in the next term, whether Trump wins or not. That’s because this US direction is being driven by the growing assertiveness and openness Xi’s China is showing in its quest to displace US technological, strategic and economic leadership.

The consequences of the collision of US and Chinese interests and policies around trade, technology and security are becoming more obvious across the Indo-Pacific as time passes. We have begun to see a reordering of supply chains serving both the US and Chinese economies. This is bringing disruptions but also opportunities. Voices calling for an early end to the ‘trade dispute’ are almost certainly missing the point, however: the trade dispute is a symptom of a much larger strategic, economic and technological struggle between two great powers. It has been underway for some time, with the US being dimly aware of its contours and depth, although the awakening has begun, and along with it, a growing counter strategy. The world’s G20 finance ministers which, in the past, had exhorted the US and China to end the dispute quickly,\(^20\) have stopped calling for this\(^21\), perhaps now recognising its much deeper contours beyond trade balances and import rules.
In another way, US commitment to development and implementation of policies and measures that support a FOIP is pretty strong. US Secretary of State Mike Pompeo has been setting out the overall US agenda on FOIP for some time now, and building on the broad vision with a rolling set of new measures and initiatives. He has been clear that a major part of the US approach is about giving greater momentum to US businesses working and investing in the Indo-Pacific, he’s created a new International Development Finance Corporation with a $60 billion spending cap to ‘catalyze flows of private capital towards development challenges’, and he’s put the FOIP at the heart of US foreign policy as he engages with political and business leaders across the region. At the same time, the Pentagon is supporting key FOIP principles like freedom of navigation and a rules-based approach to states’ security relations through its continuing pattern of alliances and security partnerships and specific programs like its patrols in the South China Sea.

So much for the good news…. the bad news for US proponents of a Free and Open Indo-Pacific – is that the Trump Administration’s foreign, security and economic policies have a strongly unilateral flavour under President Trump. This is true whether President Trump is making decisions about ending joint ROK-US military exercises on the Korean Peninsula or about imposing tariffs on a treaty ally like Japan, or when it comes to thinking about any issue from a multilateral rather than a dominant US perspective. This makes it hard for Secretary Pompeo to sell a vision that is about being open and inclusive, because it means the US, while a primary contributor to and architect of this vision for the region, may act in ways that undercut its core ideas.

Another major obstacle for development and embrace of the FOIP is that it is identified by several regional nations and policy makers and analysts as a US construct. No doubt Japan’s Prime Minister Abe, along with various Australian government ministers and officials would make the obvious remark that the US has come to the FOIP party a bit later than both Japan and the US, while India’s Prime Minister Modi would also note India’s contribution to the development of the concept and its implementation. So, in a way, US leadership of FOIP development may be as much a weakness as a strength. This makes it critical for other Indo-Pacific states to contribute support, ideas and initiatives that build the kind of region we want – and not leave its definition to any single power.

The last of the three big challenges to further development and implementation of the FOIP concept is the role that ASEAN may or may not play. ASEAN nations have become increasingly concerned about the institution’s potential sidelining as a shaper of the broader region’s future. Individual ASEAN nations and ASEAN as a whole have been slow to embrace the Indo Pacific as a working construct, and even more reluctant to identify closely with the
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FOIP. Some of this has been based in a reaction to both ideas not originating in ASEAN and so not reflecting ‘ASEAN centrality’. The ambivalence continues, with Indonesia, the ASEAN member given the lead for developing the ASEAN approach to FOIP, only able to speak of an ‘Indo Pacific Outlook’, a term that distances ASEAN from the region that they are in the middle of, making ASEAN sound like a spectator of this larger geographic, strategic and economic construct rather than an institution made up of key participants who will shape its future.

A larger issue driving at least some ASEAN members, though, is the perception that embracing the free and open Indo Pacific will be characterised by Beijing as choosing the US over China. That perception is not crazy. While it’s hard for a state that professes to believe in peaceful resolution of disputes, and win-win outcomes based on mutual respect to criticise the foundational ideas of the FOIP, Beijing is critical of the Indo-Pacific and even more so of the FOIP concept, claiming it is about containing its rise. Being able to identify the US (mainly incorrectly) as the lead in the concept helps Beijing make this criticism. As a result, regional states feel the pressure from Beijing to not sign up. Singapore’s Prime Minister Lee Hsien Loong set out this concern about choice at the recent Shangri-La Dialogue meeting, saying

‘We support regional cooperation initiatives which are open and inclusive platforms for countries to cooperate constructively, and deepen regional integration. These initiatives should strengthen existing cooperation arrangements centred on ASEAN. They should not undermine them, create rival blocs, deepen fault lines or force countries to take sides’.

Navigating the Challenges

How can the Indo-Pacific, and the collection of nation states within it, navigate these challenges and produce a shared future that is sustainable, prosperous, free of military tension and conflict and not dominated by the Chinese state behaving as a regional hegemon pursuing its own interests at the expense of others (i.e. the kind of China that ASEAN respondents to the ISEAS Regional Survey both fear and expect)? As outlined above, a large part of the answer needs to be about regional states – including South Korea, Vietnam, Indonesia, along with Japan, India and Australia all working to develop the framework for an inclusive and open regional system of trade, security and economics supported by adherence to international law and norms that we all work to shape and develop in our collective interests over time. Central to our shared development work is the maintenance of individual states’ sovereignty. And this involves all of us establishing our own frameworks for ‘healthy engagement’ with China.
This is not about ‘containing China’. It is about being able to engage with the Chinese economy and the Chinese state in ways that are beneficial and in ways that do not undercut our own nation’s decision-making or sovereignty. It’s doing what the former head of Australia’s department of foreign affairs and trade, Peter Varghese has suggested – engaging with China while constraining the Chinese state from actions and behaviour that conflicts with our own national interests. That’s as much about individual regional states’ domestic policy and legal frameworks as it is about international relations, regional institutions and international security, economics and law. The Indo-Pacific concept, and its accompanying Free and Open Indo-Pacific vision both will work best when they are combined with individual nation states’ policy frameworks that allow this healthy engagement with China.

It’s worth mentioning the Quadrilateral Security Dialogue here. This initiative involving India, Japan, the United States and Australia, which restarted in 2017, has raised great expectations and some anxieties and criticisms also. Interestingly, commentators’ views about regional perceptions have been mainly misplaced, according to original research around ASEAN national security communities’ views of the Quad, which finds, among other things, a strong majority of ASEAN respondents as wanting the Quad to play a security role. While the Quad is now mainly a dialogue, it is a demonstration of the growing convergence of interests between the four nations, who are also all proponents of the FOIP vision. Over time, the various trilateral groupings of Quad countries are showing a strong capacity to grow cooperation. This cooperation, together with converging interests, makes it likely that the Quad itself will continue to develop as a complementary grouping to other Indo Pacific regional security groupings.

But the health of the Indo-Pacific and bringing a Free and Open Indo-Pacific into being will also involve some management of the US, particularly in responding to the unilateralist stream of American policy and action that has been on display since 2016. Management of US engagement in our region is as much about us playing leadership roles rather than leaving our destinies in Washington’s sole hands as it is about coping with the results of particular US decisions and stances. This must include particular Indo-Pacific nations – obviously including Japan, India and Australia, Indonesia and Vietnam – being more active and more creative in developing webs of ‘minilateral’ relationships based on shared interests and concerns. These will continue to include capable external powers like France, the UK and Germany. We can welcome the substantive commitments US agencies like the State department and Pentagon, US companies and leaders make to the security and
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prosperity of the Indo pacific while being clear in disagreements we may have with individual US decisions (as occurred with the US withdrawal from the TPP). Such disagreements will only strengthen those who advocate for a free, open and inclusive region.

So, the outlook from down here in Australia is mixed, but at least the agenda for an activist Australia to contribute to a peaceful and prosperous future is clear. The work to be done here at home to create a foundation for our ‘healthy engagement’ with China has begun, although the work of engagement with our regional partners in shaping the kind of Indo-Pacific we want is very much ‘under construction’.

References

1. Australia’s 2013 Defence White Paper was the first official embrace of the concept of the Indo-Pacific by Canberra. It noted that ‘a new Indo-Pacific strategic arc was beginning to emerge, connecting the Indian and Pacific Oceans through Southeast Asia.’ It further emphasised that India’s emergence as ‘an important strategic, diplomatic and economic actor’ and increasing ‘trade, investment and energy flows’ through this broader region were driving this adjustment in views. ‘2013 Defence White Paper’, Department of Defence, Commonwealth of Australia, Canberra 2013, pp.i-131, p.7. http://www.defence.gov.au/whitepaper/2013/docs/WP_2013_web.pdf

2. Ibid.


7. Ibid.

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17. ‘Vice President Mike Pence’s Remarks on the Administration’s Policy Towards China’, Hudson Institute, 4 October 2018, https://www.hudson.org/events/1610-vice-president-mike-pence-s-remarks-on-the-administration-s-policy-towards-china102018


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