The Role for Middle Powers in the Free and Open Indo-Pacific: Looking at Opportunities for Canada and Australia¹

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The Indo-Pacific, as a geographic concept that connects the vast oceans of Pacific and the Indian along with the states in between, is not a new idea. Indeed, the idea of a broader geographic region – rather than more traditional subsets such as East Asia, South Asia, or the more expansive Asia-Pacific – has been used for more than a decade by scholars and practitioners in the region. An Indian naval captain began using the concept in geopolitical terms more than a decade ago, but the terminology has not been limited to scholars in Delhi. Japan's Prime Minister Shinzo Abe, back during his first stint as Prime Minister in 2007, spoke to India's parliament about his country's vision for Indo-Pacific noting a “confluence of the two seas” and pressed for a need to transcend beyond traditional frameworks that often separated or minimized the geopolitical connections between South Asian and the Indian Ocean region with that of East Asia and the Pacific.

But, while not new, the Indo-Pacific framing has been quickly gaining currency by actors in the region, with Japan and the United States declaring Free and Open Indo-Pacific (FOIP) strategies or visions, in addition to other regional approaches by India, Australia

¹ This policy brief is based off a range of discussions, meetings and presentations that the authors had during an academic outreach trip to California in May 2019. The authors engaged with a number of scholars, officials and policy makers on the Indo-Pacific and the role of middle powers, such as Canada and Australia. Some of these stakeholders included: the RAND Corporation, the Milken Institute, the Korean Consulate in Los Angeles, the Japanese Consulate in Los Angeles, the Middlebury Institute of International Studies at Monterey, the Japan Society of Northern California and Stanford University.

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2 Ministry of Foreign Affairs of Japan, “Confluence of the Seas: Speech by H.E.Mr. Shinzo Abe, Prime Minister of Japan at the Parliament of the Republic of India,” August 2007.
and Indonesia. According to Washington, in a recent Report released by the Department of Defence (DOD), the FOIP is based upon the principles of (i) respect for sovereign independence, (ii) peaceful resolution of disputes, (iii) free, fair and reciprocal trade based on open investment, transparent agreements, and connectivity, and (iv) adherence to international rules and norms, (including those of freedom of navigation and overflight).³

The United States emphasized the importance of this change by renaming its former US Pacific Command – military headquarters for the region based in Hawaii – to the US Indo-Pacific Command last year.⁴ The concept has also sparked interest of likeminded states in Europe – with France, the United Kingdom both demonstrating a keen interest in promoting their own engagement in the Indo-Pacific. Earlier this year, the French aircraft carrier – the Charles de Gaulle – set course for its journey from the Mediterranean Sea to Singapore, traversing through the Indian Ocean region and working with regional partners on its way. The British have also made similar deployments in recent years. Last year, the Royal Navy dispatched three ships that traversed the South China Sea alongside a contingent from France’s navy. During the trip, the UK vessels conducted a freedom of navigation patrol in the waters near the Paracel islands in the disputed South China Sea.⁵

To be sure, the Indo-Pacific is facing a host of shared security challenges, from maritime piracy and crime, to heated territorial disputes and a pressing need to enhance regional capacity and readiness for humanitarian assistance and disaster relief to mitigate the impact of natural disasters. In the vast maritime space of the region – stretching from East Africa to the Pacific island chains – the foundations of regional commerce and security are secured through the freedom of navigation and secure sea lines of communication. These areas are crucial for all states in the region – including middle powers such as Canada and Australia – as they are both deeply invested in secure supply chains through its economic integration with the CPTPP.

There is great economic opportunity in the region for both Canada and Australia with large economies and diverse fast-paced growth in many middle-size economies. That said, alongside this economic growth is a large demand for infrastructure development in the region – with the ADB estimating that there is a need for more than $25 trillion in infrastructure by 2030.⁶ To fill this void, several regional powers have the ability to work with states in the region for a sustainable way forward based on fair-lending, transparent institutions and long-term growth. This is an area that middle powers, such as Canada and Australia, can join other states – such as the US, Japan, and states from Europe – to push forward on and make unique contributions.

Yet, alongside these economic opportunities are a number of key challenges to the rules and order in the region that have underpinned security and prosperity for the littoral states. China continues to favour coercive actions rather than adherence to international law with regard to its salami-slicing tactics in South and East China Seas. These concerns in the maritime realm are not limited to the East and South China Seas. In the Indian Ocean region, there has been a build-up of Chinese infrastructure development in critical areas such as deep ports in Sri Lanka and Pakistan. These moves continue to draw anxiety from states in the region, who are wary of China’s long-term geopolitical motivations through its signature Belt and Road Initiative.

Canada’s Approach to the Free and Open Indo-Pacific

Canada has shown an interest in being more engaged in the Indo-Pacific region. During the visit of Japan’s Prime Minister Shinzo Abe to Ottawa in late April, Canadian Prime Minister Justin Trudeau noted a “shared vision for maintaining a free and open Indo-Pacific region based on the rule of law”. The statement was Canada’s first high-level endorsement of the importance of Indo-Pacific strategies, of which many key regional players like the US, Japan, Australia, India and Indonesia have already adopted. But, while the visit with Japan was the first upfront embrace of the Indo-Pacific concept, Ottawa has in fact already outlined its shared views on the region through its joint statement with India last year – where the two sides agreed to “reaffirm the importance of lawful commerce and the freedom of navigation and over-flight throughout the Indo-Pacific region, in accordance with international law”.

Despite this however, Canada has been hesitant to embrace the FOIP concept. The traditional lens for Ottawa to look at engagement has been through the Asia-Pacific framing – defining the region largely through our experience in the multilateral architecture such as the Asia Pacific Economic Cooperation (APEC) on the trade side, and the Association of Southeast Asian Nations (ASEAN) Regional Forum on the political-security side. Canada was a founding member of APEC in 1990 and has been a dialogue partner in the ASEAN Regional Forum (ARF) since its formation in 1994. Aside from these two main vehicles, Canada has been active in the international development space over the years through and is member of the Asian Development Bank, and more recently joined – while not before considerable internal debate – the Chinese-led Asian Infrastructure Investment Bank in 2017.

This multilateral underpinning is of course complemented by a range of diverse bilateral relations in the region, with different opportunities and challenges. China and Japan – the second and third largest economies – are the two most critical relationships in terms of trade value, but there are growing

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relationships with a host of other partners in the region too – including South Korea (with which Canada inked a Free Trade Agreement in 2014), Taiwan, India and the individual member states of ASEAN. Underscoring these growing relationships – at least in economic terms – is the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership, a mega-regional free trade pact that Canada ratified, along with 10 other states in the region, last year.\footnote{Global Affairs Canada, “CPTPP Explainer,” June 2019. https://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/index.aspx?lang=eng}

But yet, despite a long history of engagement, the consistency of Canada’s role often appears unmoored and not fully aligned with our interests and stakes in the significant geopolitical shifts taking place in the region. A frequent critique from stakeholders and officials in the region is that Canada must make a more consistent and comprehensive approach that demonstrates an investment of time and capital that goes beyond merely trade and investment. Specifically, there is a need and desire – at least from most states – for a strong Canadian voice on political-security developments in the region, be it on maritime security, nuclear non-proliferation or humanitarian assistance and disaster relief (HADR). This is where the tenets, rules and values that form the basis of the emerging growth of Indo-Pacific frameworks will help Canada better serve its interests and promote its role.

**The role for Canada in the Indo-Pacific**

In June 2019, Canada’s Defense Minister Harjit Sajjan visited the Shangri-la Dialogue in Singapore for the fourth consecutive year. The Dialogue, hosted under the stewardship of the International Institute of Strategic Studies in the UK, is the premier security and defense summit in Asia and has become a “must-attend” event for officials, policy makers and scholars focused on the region’s wide range of emerging security issues – of which strategic competition between the United States and China is top of mind in recent years. Immediately following the Shangri-la Dialogue, Sajjan visited Japan for an important bilateral visit which was hosted by Japan’s Defense Minister Takeshi Iwaya. During Sajjan’s visit, Canada and Japan agreed to work cooperatively to advance a “free and open Indo-Pacific”.\footnote{Department of National Defence of Canada, “Joint Statement of the Ministry of Defense of Japan and the Department of National Defence of Canada on Defense Cooperation,” June 2019. https://www.canada.ca/en/department-national-defence/news/2019/06/joint-statement-of-the-ministry-of-defense-of-japan-and-the-department-of-national-defence-of-canada-on-defense-cooperation.html} Indeed, when thinking about Canada’s engagement in the region, our relations with Japan must be first of mind.

As Canada’s looks to reorient its defense posture to be more active in the Indo-Pacific, Japan should be the logical cornerstone of such efforts. During the visit of Sajjan to Tokyo in June, Canada and Japan underscored the importance of the Acquisition of Cross Servicing Agreement (ACSA) signed last year. This agreement will strengthen cooperation between the Canadian Armed Forces (CAF) and the Japanese Self-Defense Forces and will allow both countries to make efficient use of each other’s military equipment during operations and exercises in Canada, Japan and other locations. The agreement will also advance cooperation between the two countries in response to humanitarian and disaster crises, peacekeeping
initiatives, and allow greater collaboration with third-partners, including the US.\textsuperscript{13}

In addition to the ACSA agreement, both sides are moving towards greater interoperability between their militaries with a growth in joint exercises and high-level exchanges. In 2017, the two sides commenced bilateral naval drills dubbed “Kaedex” ("kaede meaning maple leaf in Japanese) and the Canadian navy also participated as a trilateral participant last year in the US-Japan “Keen Sword” naval exercises. Canada has also been working with Japan, and other allies in the Five Eyes intelligence network, to help monitor and disrupt attempts by North Korea to evade sanctions over its nuclear and missiles programs – through surveillance of ship-to-ship transfers in the East China Sea.\textsuperscript{14} Moreover, in 2018 Canadian General Wayne Eyre was appointed as Deputy Commander of the UN Command on the Korean peninsula – marking the first time a non-US general assumed the role.

But there are more steps to go in this nascent security relationship. This past April, during the visit of Japan’s Prime Minister Shinzo Abe to Ottawa, Prime Minister Justin Trudeau made the first high-level Canadian endorsement of a “free and open Indo-Pacific” – a vision that is shared by other like-minded states, such as the US, Australia and Japan. This vision fundamentally rests on the maintenance of a rules-based international order premised on common norms, laws and practices, with an aim at reducing the potential for conflict and promoting sustainable development. This of course draws a stark contrast to China’s increasingly hostile posture in the region, marked by its militarization of man-made islands in the South China Sea and its unfair and non-transparent lending practices through its Belt and Road Initiative. Not to mention its coercive attempts – through the arbitrary detention of two of our citizens and sealing off much of the market for our exporters of canola and soybeans – to force Canada to relent on the sensitive extradition case of Huawei chief financial officer Meng Wanzhou. Going forward Canada should continue to enhance our ties with Japan – a natural partner in the region – and other key middle powers such as Australia, states in ASEAN and South Korea, to work closely and pursue our interests in the Indo-Pacific.

How can Canada become more involved in the emerging Indo-Pacific framework? First, Canada must assertively and unapologetically promote its interests and values in the region – most of which align closely to its key partners there such as the US, Japan, Australia, and member states in ASEAN. For example, if one closely inspects the FOIP policies by Washington and Tokyo, they will find more convergence than divergence with regard to Canadian interests. The US strategy stresses the need to “promote transparency, openness, rule of law, and the protection of human rights and fundamental freedom”.\textsuperscript{15} Tokyo meanwhile stresses the importance of peace and stability in the region through common rules, open investment and the provision of international public goods. Most would agree these are rules and norms the Canada also subscribes too. A

corollary to this is that greater engagement with the Indo-Pacific would help us further national areas of excellence desperately need in the region’s approach to preventive diplomacy, such as women, peace and security.

Second, Canada can manage both an effective and pragmatic relationship with China, and simultaneously enhance its engagement with Indo-Pacific region. Beijing may be wary of the framing of Indo-Pacific, because of its tense relations with Washington under the Trump administration, but it would incorrect to label the different national approaches as a containment strategy aimed at China. Rather than alliance-politics, this is a loose grouping of likeminded and progressive states that are standing up for a prosperous and stable region that follows rules and maintains a sustainable trajectory – not to benefit one, but for the region as a whole. This is something Canada should stand up for, and it should not let its recent bilateral difficulties with Beijing distract it from the larger strategic dynamics playing out in the region.

Finally, just as engaging China and the Indo-Pacific framework are not mutually exclusive, so are the fundamentals of our existing engagements in the region. Ottawa will continue to be a key part of APEC, the ARF, ADB and other multilateral fora – with ASEAN at the core – but it need not pursue this road in isolation from cooperation that makes sense with regional partners and allies.

Australia’s Indo Pacific Vision

The first thing to note with regard to Australia’s approach to the FOIP is the nomenclature employed. Canberra has not officially adopted the moniker “Free and Open Indo Pacific” like its American and Japanese partners to badge its regional strategy, with the cognate term “open, inclusive and prosperous Indo-Pacific” featuring instead in the 2017 Foreign Policy White Paper. Some variations on the term naturally appear in surrounding discourses – “a free, open, inclusive and prosperous Indo-Pacific” – has been used in joint statements with the US and Japan – but this slight distinction does not amount to any tangible difference from the core precepts of the FOIP (described in the introduction).

So, what form does Canberra’s participation in the FOIP take, in the context of a broader Australian Indo Pacific strategy (IPs)? There is no one specific policy document or declaration that embodies Australia’s IPs, but rather it is represents a compound of individual and joint policies and initiatives which sync with the FOIP concept. In this short briefing it is useful to unpack its ideological, security and economic dimensions, all of which are intertwined.

Behind the Australian “vision” of an “Indo Pacific Century”, destined to bring regional and national prosperity, there are three premises. First among these is the “relocation” of Australia’s strategic frame of reference to the newly identified “Indo Pacific” region itself. The recent Defence and Foreign Policy White papers codified a shift in the locus and scope of regional interaction to the “Indo Pacific” as geopolitical construct. Influential Australian figures had long advocated for a refocusing on the Indo Pacific, aside from the extant “Asia Pacific”, as recognition not only of India’s rise to economic and strategic prominence, but as a better reflection of the actual region Australia

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itself inhabits at the intersection of these two great Oceans.  

Second is the oft-repeated government commitment to a “Rule-based International Order” (RBO) which the FOIP strongly advocates. This has long been an identifiable theme for a “middle power” country like Australia, which, based solely upon its own national capabilities, cannot afford to engage in a no-holds barred struggle of power politics, but rather seeks a “liberal internationalist” posture which emphasizes international norms and institutions, sovereignty, rule-of-law, non-coercion and all-round “good international citizenship”. The RBO concept has become an increasingly prolific mantra in Canberra's policy declarations as the best method to achieve regional stability and prosperity. Not so implicit in the RBO concept is a resistance to Chinese revisionist attempts to expand its strategic space and influence across the region in ways viewed as detrimental to the existing order, as evidenced through the Belt and Road Initiative (BRI, Shanghai Cooperation organisation, and Asian Infrastructure Development Bank (AIIB), for example. Instead, Australia alongside its close US and Japanese partners seeks to provide an alternative to a future regional order dominated by China in contradiction with these liberal internationalist principles.

Third, participation in FOIP-related activities is grounded in Australia’s deep attachment to American regional primacy. Australia – like Japan and many others – sees its bilateral security alliance with the US anchored in the broader “hub-and-spokes” network, and its close Special Strategic Partnership with Japan, as the best way to uphold or enforce the RBO and secure the Indo Pacific in accord with its national interests. In correspondence with the recently released American Indo Pacific Strategy Report, which outlines replacement US grand strategy for the Pivot, Canberra is seeking deeper partnerships with Japan, India, and key SEA states in a bid to uphold the RBO semi-independently and collectively, alongside the central role expected of the US.

Security Considerations for Australia

The primary drivers behind Australia’s interest in the FOIP are security concerns. While broader “Non-Traditional Security” (NTS) issues remain prominent in Australian thinking, for example: terrorism, irregular populations movements, climate change, or financial or humanitarian crises, it is the newly arrived era of great power competition that is most vexes strategic planners in Canberra. Based upon its growing economic and strategic weight in the region, China has moved from “biding its time and hiding its capabilities” to a newfound policy of “assertiveness” pushing out its strategic space and regional influence by a variety of means that have set alarm bells ringing in Canberra as portents of a “new Cold War”.

Chinese militarisation of the contested South China Sea (in violation of international law and prior agreements with the US), the use of economic coercion against Canada, Japan and South Korea, among others, and its attempts to establish a regional foothold in Australia’s “patch” of the South Pacific have shifted

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perceptions in Canberra. But in addition to these demonstrations of Chinese “sharp power”, nothing so upset the political equilibrium in Canberra as much as the recent revelation of the extent of Chinese espionage and “influence operations” discovered inside Australia itself. On this basis, Australia has tightened its security measures and readily complied with US wishes to ban the Chinese state-owned telecom giant Huawei from providing its 5G network, drawing economic retaliation – an interruption in coal imports – from Beijing.

Indeed, the Chinese challenge is seen across the Indo Pacific region, and which the FOIP concept seeks to address. It includes the use of economic statecraft to achieve strategic gains as well as “hybrid” techniques to challenge the strategic situation on the ground – or more appositely – on the sea. By seeking to exploit “gray zone areas” in the maritime space, for example the use of fishing fleets and maritime militias to harass competitor states in disputed territories in the South China and East China Seas, Beijing is seeking to break out of the confines of its so-called series of “island chains” and ultimately extend a degree of control over key maritime trade arteries. The security of these Sea Lines of Communication (SLOCS), and the rights of free navigation and overflight in international waters are increasingly challenged by naval and air intrusions, and patrols attempting to assert Chinese sovereignty. The controversial Freedom of Navigation Operations (FONOPS) conducted by the US Navy consistently meet harassment from Chinese forces. This strikes at the heart of the FOIP and RBO concepts that Australia seeks to defend and exemplify Chinese attempts to revise the regional order to its preference. Australia has sought to augment its regional naval presence through Indo Pacific Endeavour – a task force engaging in a series of engagement activities and military training exercises during port visits – in addition to low profile maritime patrol and surveillance activities Indian Ocean, Strait of Malacca and South China Sea under Operation Gateway.

Australia is also backing the FOIP with hard power through a sustained program to improve its defence capabilities with a projected defence budget increase of 2% of GDP, (currently AUD $36.4bn for 2018). It is seeking to augment existing capabilities, which are being ever-more attuned to combined operations with the US (and potentially Japan) and acquiring new ones. Chief among these is the future submarine project which will double the its flotilla by 2030, giving it some of the most potent undersea naval capabilities. In addition, it seeks to increase its reconnaissance capabilities to enforce Maritime Domain Awareness (MDA) in the vast Oceanic spaces to the north of the Australian continent through acquisition of US hardware such as the 8A Poseidon maritime surveillance/response aircraft and MQ-4C Triton UAV.

Australia is also upgrading its 70-year-old defence alliance with the US. Under the US Force Posture Initiatives in Northern Australia, agreement has been made as early as 2016 to station a US Marine Task Force in Darwin, while defence, intelligence and military ties have all been strengthened. The 2018 AUSMIN consultations listed a prolific range of areas for cooperation including upholding the rules-based international order (through the FOIP), coordination against foreign domestic interference, regional maritime capacity-

building, economic and infrastructure support, space, cyber and energy security issues, missile defence, counter terrorism, and a stronger role for the Trilateral Strategic Dialogue (TSD) with Japan.  

Plans have also been unveiled to establish a joint naval base with the US at Lombrum on Manus Island in Papua New Guinea (PNG). As the 2017 Foreign Policy White Paper affirms – "Our alliance with the United States is central to Australia’s approach to the Indo-Pacific." And additionally, Australia has sought to keep advancing its security relations with Japan through its decade-old Strategic Partnership with Tokyo, another advocate of FOIP and the RBO. This process is unified with the US through means of the reinvigorated Trilateral Security Dialogue (TSD) process just mentioned.

Furthermore, Australia is seeking to extend this into a Quadrilateral process – the “Quad” – with New Delhi in order to gain India’s adherence to the overall FOIP vision as part of its Indo-centric strategy. However, much confusion reigns as to the exact relationship between the Quad and the FOIP that has hindered the understanding of both (as I have illustrated elsewhere), but in particular it seems that Quad members are divided over their interpretation of how “inclusive” the latter is to be presented. Whilst, all parties have stressed that FOIP is open to all that abide by its principles, in reality it is a values-loaded concept – perhaps with the intent of “socialising” China (in echoes of the earlier “responsible stakeholder” notion). Indeed, since the Quad partners are all democratic states, and the FOIP itself inherently represents an alternative to the Chinese-led regional order, there is a large contradiction in this proposition.

Lastly, Australia has been keen to attract additional adherents to the broad FOIP vision, both through other enhanced security partnerships, such as with Singapore, but also through the “Quad-plus” process that brings extra-regional powers such as France and the UK into the FOIP enterprise (noted in the introduction). The final layer of this cooperation is the desire to maintain a place for ASEAN in the FOIP vision – Canberra has been quick to reassure members that “ASEAN centrality” will not be undermined, but polls among SEA experts indicate a great degree of scepticism over the FOIP.

Yet there limits to Canberra’s willingness to support and enforce the FOIP and US primacy in defiance of Beijing, especially if it emerges as a “hard-balancing” or “containment” mechanism. It is well known that not only is the PRC by far Australia’s biggest trading partner, upon whom

continued prosperity is assumed to depend, but the possibility that the US may gradually withdraw from the region and leave China as regional hegemon also raise the “shadow of the future” in Australian calculations.\textsuperscript{30} Indeed, the current US Administration has sent mixed signals as to its engagement with the region. On the one hand Trump’s disparagement of allies, trade disruptions, withdrawal from TPP, and disregard for the liberal international order have seriously undercut Australia’s position. Yet, more recent championship of the FOIP combined with determined efforts to push back against Chinese challenges are more positive signals, welcomed in Canberra. Nevertheless, Medcalf argues ‘Australia’s preference is for a U.S. response to China that competes rather than confronts, that deters rather than provokes.’\textsuperscript{31}

\textbf{Economic Drivers}

To be effective and appealing to regional interlocutor states across the Indo pacific, and to compete with the economic challenges raised by China, Australia’s de facto participation in the FOIP also has a strong economic component. Given the maritime/security emphasis that the FOIP has acquired, it is important to note the economic aspects in which Australia is a participant, seeking to tap into emerging markets and benefit from the “blue water economy” concept.\textsuperscript{32} Integral to the FOIP vision is the desire to promote increased regional connectivity through free-market, transparent and high-quality programs that will meet the region’s growing infrastructure needs. In this respect it again runs counter to Chinese methods that have been criticized for being opaque, corrupt, bringing few local employment benefits, and entrapping aid beneficiaries with unsustainable debt for projects of questionable viability (“debt-trap diplomacy”). The antithesis of the FOIP.

Australia’s economic centre of gravity has shifted over the past two decades towards its Western Indian-Ocean-facing and Northern coasts as result of its massive minerals exports trade Australia itself is a major trading partner with South East Asia, the Pacific Island Countries (PICS), and seeks to expand its opportunities with India (as detailed in the recent Varghese report).\textsuperscript{33} Ideally, the FOIP would have also included the economic showpiece of the TPP, but since the US withdrawal this has left a gaping hole in US geo-economic influence that has yet to be convincingly filled. That Australia along with Japan has championed the CPTTP in the absence of Washington’s leadership testifies to the importance these secondary powers ascribe to the economic dimension of regional order. On a smaller scale, Australia has joined its TSD partners in a Trilateral Investment Fund ($133ml) designed to offer economic assistance with pressing regional infrastructure development in the Indo Pacific.

In terms of development, Australia is taking a prominent role, with high levels of Overseas Development assistance (ODA) targeted towards SEA (especially Indonesia) and the PICS. Though Australia provides some assistance to Africa and other Indian Ocean

\textsuperscript{32} The World Bank, “What is the Blue Economy?” June 6, 2017.
\textsuperscript{33} Peter N Varghese AO, \textit{A Report to the Australian Government: An India Economic Strategy to 2035 - Navigating from Potential to Delivery} (Barton ACT: Department of Foreign Affairs and Trade, 2018).
Rim countries the locus is clearly in these two former regions of key strategic importance to Canberra. Indeed, the Pacific Islands may be the best example of the FOIP in action for Australia as part of its contiguous Pacific “Step-up”.\(^{34}\) A new Office of the Pacific has been established in DFAT, to coordinate the promotion of good governance, development, and maritime capacity-building (such as the provision of patrol boats), with a $2bn AUD now allocated to an infrastructure financing facility.\(^{35}\) To this purpose, Australia has also partnered with the US and others to build an electrical grid for PNG.\(^{36}\) The Step-Up policy is strategic as much as economic, as it seeks to counterbalance the massive increase of Chinese economic influence in the region which threatens to render such states as vulnerable to untoward political influence. Australian strategists are concerned that if China provides critical infrastructure to these countries, they will be vulnerable to subversion or subjection by Beijing (with the bugging of the Organisation of African Unity by China being a case in point). Australia is worried that if economically and financially unviable commitments are entered into with China, that Canberra will be left to deal with the socio-economic and security fall-out of these fragile states on its doorstep.

**Time for Middle Powers in Indo-Pacific**

In sum, it is clear that there is ample space and demand for complementary middle powers, such as Canada and Australia, to assist – and in some cases provide likeminded alternatives – to US influence and assistance in the Indo-Pacific. Throughout our discussions with US stakeholders, it was also made clear that the US not only welcomes this engagement but also expects it. Indeed, the Indo Pacific Strategy Report highlights how allies such as Canada and Australia can “play a critical role in maintaining a free and open Indo-Pacific”.\(^{37}\) In light of growing US uncertainty and credibility in the region, and rising Chinese assertiveness – the role of Canada and Australia can help underscore the rules based order and bolster the need for sustainable investment and open trade. This discussion of the ways in which Australia and Canada have sought to respond to the FOIP vision, as championed by Japan and the US, is indicative of the actual and potential role such self-styled middle powers can play in upholding the regional international order against revisionist challenges, by doing their part.

Yet, as middle powers with relatively limited capabilities compared with leading FOIP states such as the US and Japan, it may be worth Ottawa and Canberra engaging in renewed bilateral cooperation to explore how they can jointly coordinate their approach to FOIP and perhaps pool their capabilities more effectively as they have done so successfully in the past, in initiatives such as the International Security Assistance Force (ISAF) in Afghanistan, and through other areas including disrupting people smuggling and organized crime in SEA. Potentially fruitful avenues of joint cooperation

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34 Department of Foreign Affairs and Trade, “Stepping Up Australia’s Pacific Engagement.”


https://media.defense.gov/2019/May/31/2002139210/-1/-1/DOD_INDO_PACIFIC_STRATEGY_REPORT_JUNE_2019.PDF
to explore could include HADR, joint naval exercises, MDA and ODA/capacity-building, among others. In conclusion, this is a prime opportunity for solidarity between these two middle powers to leverage their joint reputation for multilateralism, norm entrepreneurship and all-round reputation for “good international citizenship” to play a larger role in Indo Pacific affairs.