

POLICY BRIEF

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Why Canada Must Embrace a Free and Open Indo-Pacific

Jonathan Berkshire Miller & Stephen Nagy

How has Canada viewed the scope of its engagement in Asia? The traditional lens to look at such 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 (ARF) on the political-security side. Canada was a founding member of APEC in 1990 and has been a dialogue partner in the 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 largest relationships in terms of trade value, but there are growing 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 (CPTPP), a mega-regional free trade pact that Canada ratified, along with 10 other states in the region, in 2018. Its focus on intellectual property rights (IPR), the digital economic, the environmental and labor make Canada part of a 21st century trade agreement that aims to set the

agenda for trade and cements Canada’s trade footprint in the Indo-Pacific region.

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 the plethora of non-traditional security challenges facing the region. 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.

Canada has shown an interest in being more engaged in the Indo-Pacific region and is evolving its thinking on its equities and interests there. This interest is not limited to trade and should not be centered solely on the CPTPP. Of course, Canada’s trade linkages to the region are growing and significant – but there is a need for a broader and more comprehensive reset to our thinking in the region. During the visit of Japan’s Prime Minister Shinzo Abe to Ottawa in 2019, 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, which many key regional players have already adopted, like the United States, Japan, Australia, India, and Indonesia.¹

But, while the visit by Abe in 2019 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** in February 2018. In that statement, 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.”²

The convergence of interests between India and Canada for a stable and rules-based region underscores the imperative for resetting an underperforming bilateral relationship in a more strategic regional context.

Even with this convergence in interests in a stable and rules-based region, Canada seems late to the Indo-Pacific game and in clearly and thoroughly articulating its rationale to invest in the region compared with other middle powers. For example, on September 1st, 2020 Germany released its Policy Guidelines for the Indo-Pacific. This is the second European country after France who released their “French Strategy in the Indo-Pacific: For an Inclusive Indo-Pacific” in February 2019.

Germany’s Foreign Minister Heiko Maas stresses Germany’s “strong interest in promoting multilateral approaches in the region and, above all, in strengthening ASEAN – with a view to consolidating a multipolar region embedded within a multilateral, rules-based system.”

The French report goes further, stressing “strengthening our partnerships with the major regional players with whom we share the same values and interests, such as Australia, India, Indonesia, Japan, New Zealand, Singapore and South Korea, while deepening our relationship with China, an essential partner we need to work with, including in a European Union framework,

1 Prime Minister of Canada, “Prime Minister of Canada Announces Closer Collaboration with Japan,” April 28, 2019.

2 Prime Minister of Canada, “India-Canada Joint Statement: Partnership for Security and Growth,” February 23, 2018.

in order to develop cooperation that takes into account the need for reciprocity.”

Both German and French Indo-Pacific visions utilize the word “inclusivity” and the importance of engagement with China while at the same time stress that no country should impose their hegemony on the region. These resonate deeply with the concept of a “Free” and “Open” Indo-Pacific and with Canada’s enduring interests in buttressing a rules-based approach to international institutions.

Anxiety about China clouding Canadian thinking on Indo-Pacific

Some **detractors of the Free and Open Indo-Pacific** concept argue that it is an overly securitized approach that favors an adversarial look at China and risks entrapping Canada in strategic competition between Beijing and Washington.³

This line of thought is problematic at several levels. First, it assumes that the United States stands alone in its concerns about China’s hegemonic intentions and assertive behavior in the region. This is not the case. To illustrate, examining Australia’s **2020 Defence Strategic Update**, France’s **Indo-Pacific Strategy**, the German **Indo-Pacific Policy Guidelines**, and even the ASEAN **Indo-Pacific Outlook**, each makes mention in one way or another of the importance of rules-based behavior in the Indo-Pacific and that “not the law of the strong that must prevail, but the strength of the law.”⁴

At a more granular level in the case of ASEAN, the **“State of Southeast Asia 2020 survey”** by the ISEAS-Yusof Ishak Institute found that ASEAN states see China as a

revisionist state or the state that is gradually taking over as the regional leader.

Second, this logic wrongly presumes that Japan, India and Australia – among others - would buy into an overly securitized Indo-Pacific strategy. **Japan’s longstanding approach** has been one of accommodation and strengthening its alliance with the US with the purpose of embedding itself deeply in the Indo-Pacific region economically, a region that includes China.

Similarly, ASEAN countries and India have continued to **prioritize strategic autonomy** and avoiding to choose between the US and China.

Third, this outlook surmises that states that are proponents of a FOIP – especially the United States - are pushing this regional strategy in an attempt to contain Beijing and framing it as a revisionist power. Others have even suggested that FOIP is a regional attempt at an “anti-China coalition”, implying that involvement risks entrapping Canada in cold war styled thinking.

Yet a closer look at FOIP and its flexibilities tells another story. First, the recent uptick in tensions between Canada and China is not a creation or causal result from strains in Washington-Beijing relationship. Of course, Canada is not immune to this strategic competition – but it also does not define our relationship with Beijing. The reality is that actions from the Chinese side have disintegrated the relationship. Two Canadian citizens—Michael Kovrig and Michael Spavor—remain arbitrarily detained in China since December 2018. Beijing accuses the two of stealing state secrets and guilty of espionage, but fails to

3 Jeff Reeves, “Canada and the Indo-Pacific: Diverse and Inclusive not Free and Open,” Asia Pacific Foundation of Canada, September 2020.

4 The German Federal Government, “Policy Guidelines for the Indo-Pacific,” September 30, 2020; Ministry of Foreign Affairs of France, “The Indo-Pacific Region: A Priority for France,” August 2019; Australian Government, “2020 Defence Strategic Update,” 2020.

produce any evidence to support such a claim. Kovrig and Spavor were arrested nine days after Canada’s arrest, on extradition request from the United States, of Huawei chief financial officer Meng Wanzhou. Despite China’s attempts to downplay any linkage, it is clear that this was no coincidence and unfortunately the fates of Kovrig and Spavor have been unfairly tied to the extradition case of Meng. They have also rebuffed high-level **Canadian efforts** to have a dialogue on the matter.

But this has not just be a misguided case of tit-for-tat. Beijing has been responding in other asymmetrical ways to coerce Canada into both releasing Meng and also lobbying against a Huawei ban in 5G networks. Within the past two years, China has moved to block imports of canola seeds from two of Canada’s largest exporters, claiming that shipments were infected with pests. Beijing is also looking to put new customs hurdles on other items, including pork, in an attempt to **punish Canada** for its “backstabbing” of China, as former Chinese Ambassador Lu Shaye previously remarked. For Canada to submit to Beijing’s demands to release Ms. Meng, as one former Canadian **prime minister** has suggested, would also set a dangerous precedent that transcends relations between Ottawa and Beijing. This type of move would indicate to China that it can exercise “might before right” to bully middle powers into concessions.

Secondly, it is important to remember that this is not a challenge unique to Canada. Within Asia, an assertive and revisionist China is actively eroding the rules-based order in the region through economic coercion, hostage diplomacy and expansionist claims in the East and South China Seas. These challenges have been felt closely by Canada’s closest of partners – including Japan and Australia. These coercion tactics have similarly been felt by countries outside of China’s periphery, including the Czech Republic and Sweden.

By arguing that Chinese economic and other forms of coercion are tangentially linked to U.S.-China strategic competition is out of step with a long-standing track record of coercive behavior. For instance, other middle powers such as Norway suffered from **diplomatic and economic isolation** when the independent Nobel Prize Committee awarded Chinese national Liu Xiao Bo the **Nobel Peace Prize**. **In 2010**, France suffered the ire of Beijing with disrupted trade following a **visit by the Dalai Lama** in 2008. Moreover, in 2012, the Philippines was subject to **coercive economic tactics** to punish the country for refusing to leave the Scarborough Shoal, territory claimed by China as their own. These tactics included Chinese quarantine authorities reportedly blocked hundreds of container vans of Philippine bananas from entering Chinese ports, claiming that the fruit contained pests.

Adopting a FOIP approach is not about punishing Beijing for its destabilizing actions or pushing it into a corner. Rather, pursuing a strategic approach with a range of likeminded states in the region – which does not exclude engagement with China – is a sensible way forward that underscores Canada’s commitment to its interests and values such as protecting the rule of law and promoting free, transparent and open trade and investment not subject to unilateral coercion.

Here, rather than being an outlier when it comes to how Canada should and wants to approach the Indo-Pacific and China with FOIP, Canada’s strategic orientation and interests overlap with other Indo-Pacific stakeholders.

Canada as a regional leader, not a follower

Looking through a FOIP prism would help countries in that vast maritime space better face a host of shared security challenges, from maritime piracy and crime and heated territorial disputes, to non-traditional security

issues such as the pressing need to enhance regional capacity and readiness for humanitarian assistance and disaster relief.

Critically, FOIP’s two-level approach to security that includes both traditional and non-traditional security resonates deeply with most of the states in the littoral zone of the Indo-Pacific. Addressing non-traditional security threats such as piracy, illegal fishing, climate change and preventing a **tragedy of the commons** is their priority.

For Canada, this shift in worldview would make a lot of sense, especially since it’s now deeply invested in secure supply chains through its economic integration with the CPTPP. There’s a large demand for infrastructure development in the region to sustain large economies and diverse, fast-paced growth in many mid-sized ones, too; **the Asian Development Bank estimates** that more than \$25-trillion will be needed by 2030. This represents an opportunity for Canada to join the United States, Japan, Australia, and European countries in proposing a sustainable investment strategy based on fair-lending, transparent institutions, and long-term growth.

Models for Canada’s participation include the “Partnership on Sustainable Connectivity and Quality Infrastructure between the European Union and Japan.” This is in addition to other material multilateral agreements such as the “Australia-Japan-United States Trilateral Infrastructure Partnership.”

Such a move is not without risk, given a truculent China that continues to favor 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 go beyond that, too: In the Indian Ocean region, Beijing has laid claim, through infrastructure development, to 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. Beijing, for its part, seems to be wary of the FOIP framing because of its tense relations with Washington under the Trump administration.

But China would be wrong to view this as a containment effort by non-regional players. Rather than alliance-politics, the Indo-Pacific region is a loose grouping of like-minded 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 country, but the region as a whole. Regardless of its recent bilateral difficulties with Beijing over the detention and potential extradition of Huawei executive Meng Wanzhou and China’s arbitrary detention of Canadian citizens, Canada’s interests and values in the region align with those of key partners such as the United States, Japan, Australia and some members of ASEAN and offer a chance to bolster region’s approach to preventive diplomacy in the spheres of women’s rights, peace and security.

It’s why it’s time for a paradigm shift, and for Canada to assertively and unapologetically promote its interests in an Indo-Pacific region. The volatility in the region underpins the need for Canada to work with our key liberal democracies to push forward the rules-based liberal order. There is not an option to stay on the sidelines. Canada can and should play a role here to promote and stand for a free and open Indo-Pacific vision to promote these shared interests.