

50th AusCSCAP Meeting

The 50th meeting of the Australian Member Committee of the Council for Security Cooperation in the Asia Pacific (AusCSCAP) was held in Perth on 29 and 30 November 2018, and chaired by Mr Ric Smith and Professor Tony Milner.

This meeting coincided with the 50th Steering Committee Meeting (SCM) of CSCAP - which involved delegates from most of the 21 member committees of CSCAP (see attached agenda booklet for a list of participants). With AusCSCAP co-chair Tony Milner now non-ASEAN Chair of CSCAP, the Australian Committee was host to the 50th SCM.

The AusCSCAP Meeting incorporated two different events, both held in cooperation with the Perth US-Asia Centre UWA; first, a seminar on Thursday involving H.E. Kim Beazley with Australian academics (including former Defence and Foreign Minister Stephen Smith) and CSCAP colleagues (in Perth for the Steering Committee Meeting); and second, a seminar on Friday morning involving a dialogue between the Hon. Julie Bishop MP and CSCAP delegates, along with several Australian academics. The Steering Committee Meeting, held on Friday afternoon, will be reported on by the CSCAP Secretariat, based in Kuala Lumpur.

The two seminars were conducted under Chatham House rule, and chaired by AusCSCAP co-chairs, Ric. Smith and Tony Milner, along with the CEO of the Perth US-Asia Centre, Professor Gordon Flake.

This report covers the two seminars, both of which addressed the theme:

‘Prospects for a Consensus on Norms in the Indo Pacific’.

Drawing on the presence in Perth of over 40 international CSCAP delegates, the theme allowed early discussion on the concept of the Indo Pacific. The term tends to be used in Australia – and by some commentators in other countries in the region - as a geographic, strategic framework. Australian proponents of the concept tended to see an inevitable acceptance of the term ‘Indo Pacific’ as it reflected the reality – economic, commercial and strategic – of a region extending beyond the Asia Pacific to include India and the Indian Ocean littoral. By 2050, the expected five largest global economies, USA, China, India, Japan and Indonesia, would all be part of this construct - which would necessarily also dominate strategic thinking.

Not all present agreed with this view. It was evident that 'Indo-Pacific' means different things to different people. Some saw it as the basis for new regional architecture. Others considered it as an alternative to a Chinese regional vision. They noted that references to a 'free and open' Indo-Pacific – particularly by the United States and Japan – suggest an ideological as well as geographic significance. There is also disagreement as to the Indo Pacific's geographic reference – some seeing the Indo-Pacific reaching well into Africa.

Several participants were suspicious of the Indo-Pacific idea, one of them characterising it as little more than diplomatic wishful thinking. Some of ASEAN members present thought that the term was not suggestive of 'inclusion', a quality they considered as an essential element in ASEAN diplomacy, and several were worried about choosing between a US-oriented Indo Pacific and a China led Belt and Road vision.

A non-ASEAN participant said that his country simply did not recognise the term 'Indo Pacific,' and had never used it in any official or unofficial capacity: the current geographic term - the Asia Pacific - was a widely accepted, clearly understood and wholly uncontroversial construct, making change redundant. A further view was that, if the intent was to underline that India was an integral part of the region, to think otherwise is to misread history. India had always been there, and always as part of Asia. In the 19th and early 20th centuries, Indian and Japanese intellectuals were pioneers in the development of a sense of a specifically 'Asian' community.

Some advocates of the Indo-Pacific argued that the term was by its own definition inclusive, and that the geographic thrust of China's Belt and Road Initiative suggested that it also saw the logic of the Indo-Pacific construct.

In discussing the Indo Pacific, the point was made that in the past military forces had been important in resolving shifting power balances. Now, with the global shift towards the East, it was clear that economic heft and technological prowess were coming to the fore, rendering historical experience with managing power shifts less useful. There was a need for fresh approaches. Indonesia, for example, certainly recognised that the global economic centre of gravity had shifted toward our region, and, given its geographic location between the two great oceans – and despite its lack of military power - saw itself as gaining a pivotal role in the new construct, especially as the de facto leader of the ASEAN group.

Discussion suggested that Indonesia had no difficulty with the new Indo-Pacific terminology, but saw as more urgent a stronger regional dispute settlement mechanism (examples given for the South China Sea, the East China Sea, and recently the South Pacific). The existing regional security architecture was perceived to be inadequate for the task.

From ASEAN, and some in northeast Asia, a strong preference was expressed for 'inclusiveness' in any regional construct. On some parts there was concern that the term 'Indo Pacific' could be interpreted as attempting to dilute, diminish, or even exclude the reality of China as a major growing strategic and economic power. What these participants preferred was a formulation that would provide a basis for everyone working better together. A perceived problem here was that the term Indo Pacific had sometimes become associated with the quadrilateral discussions between the US, India, Japan and Australia – which could be understood as a basis for an anti-China, democratic alliance.

The proponents of the Indo Pacific stated that only 20 years ago the term 'Asia Pacific' was not widely accepted, but now was unquestioned as a geographic construct. To them, the 'deafening sound of economic reality' would do the same for 'Indo Pacific'.

Reference was made to the recent Asia-Pacific Economic Cooperation (APEC) summit in PNG, when fundamental divisions, especially between the US and China, resulted for the first time since 1989 in the absence of a jointly agreed statement. There was some discussion of the difficulties a trade war between these two leading powers would present for the smaller regional states. At this point, the economists present reminded the meeting that the economic argument was somewhat different to the strategic. Each day, there were hundreds of thousands of commercial transactions enacted under majoritarian principles and consensus, and while the architecture for trade dispute resolution (particularly the WTO) may be under pressure, there remained an order whereby most countries agreed with most rules most of the time. The point was made with respect to the WTO, that there is an opportunity for China – in the absence of US leadership – to show its global good citizenship credentials by proposing solutions. A further observation was that trade and capital flows remained predominantly 'Asia Pacific' not 'Indo Pacific'.

Attention turned to the other aspect of the discussion theme – the likelihood of agreement on the norms, standards and principles (a significant part of what

is also known as the rules-based order) that might apply across the broader region, whether it be the Asia Pacific or Indo Pacific.

In approaching this topic, many ASEANs seem to see value in maintaining a balance of power between China and the US – in that it can help to maximise their policy options. There is also opposition in the region to being forced to choose one major power over another. China, by dint of its size and population, is certainly seen to create a ‘fundamental asymmetry’ within the region, and one which might well mean a major adjustment to the international order that had existed since 1945 - historically, a Western led liberal order. Several participants in the seminar felt that the time was right to reconsider the rules making up the regional order, to reflect the new reality of what was seen as a decline in Western power and influence relative to the East’s ascendance. Others, however, felt that retention of the extant order was possible and advantageous. Some participants thought that deliberation regarding norms and rules should take into account Chinese cultural traditions, especially attitudes toward the ‘state,’ in order to gain a better understanding of Chinese political behaviour. It was noted that other countries in the Asian region, including in ASEAN, were also influenced by non-Western traditions of foreign relations.

Some present saw the need for acquiring and deploying such a better understanding as an urgent requirement. The situation had changed considerably since CSCAP began in the early 1990’s. Now not only large powers, but even middle and smaller states, had greater ability to inflict damage on each other - and this was occurring at a time when questions were being asked about the capacity of the existing regional security architecture to manage impending threats. Added to the uncertainty was current US behaviour re Asia - specifically, appearing to step back from postures of engagement, and creating doubt among long-term allies regarding future US commitments. Such anxiety was being sharpened at a time when ‘force majeure’ was creating different realities and unchallenged facts that could not be ignored –in the South China Sea for example. Examples beyond Asia were also given – the Crimea, Ukraine and Brexit, and the spread of populism in politics. Australia illustrated the dramatic changes in regional relativities as graphically as any other country. When Australia produced its 1987 Defence White Paper, our GDP was larger than the total of ASEAN and 70% of China’s - such relativities are almost unimaginable today. China’s GDP per capita has grown over nine times in this period.

The discussion went on to reflect the fundamental pragmatism of many of the Asian representatives present, one pointing out that a principle is generally regarded as a broad guideline unless it is written down, whereupon it becomes a rule. This pithy observation summed up a number of interventions. To these observers ASEAN had survived, progressed and thrived principally because of its underlying flexibility and consensual nature. Alliances and treaties, sanctions and penalties, and the alignment with one power over another had no place in ASEAN - and for these participants at least the 'ASEAN Way' was increasingly emerging as the preferred way to progress inter-state relations across the broad Asia-Pacific or Indo-Pacific region. ASEAN had been able to adapt to different political regimes, incorporating both democracies and centrally-planned economies into the one institution, and avoiding confrontational competition.

From this perspective, some felt that there was no need to create new entities and institutions to handle challenges and emerging realities – the existing regional architecture had the capacity to lead if the political will was present. Because norms often have little influence on great power behaviour, small and medium powers need to act in concert to encourage the larger ones. ASEAN had built an identity that allowed it to develop a presence and influence well beyond its size, and it might even expand that influence.

A further observation in support of the existing rules-based order, stressed the pivotal role of Indonesia and India (soon to be the world's largest country by population). The order established after 1945 had produced enormous benefits for such regional states, as it had for China. At the same time, the question was asked whether the US, the chief architect and overseer of the current order, was still willing to meet the costs of hegemony. Action by the Trump Administration in trashing aspects of the rule-based order suggested otherwise, and left the question begging would a new champion and a new rules-based paradigm emerge to fill the gap?

In a concluding remark supporting retention of a flexible rules-based order, it was noted that the antagonistic relationship between the US and the USSR (mutually assured destruction) in the second half of the 20th century had occurred without any economic relationship whatsoever. The current strategic situation is quite the opposite. Economic dependency between the US and China, to say nothing of the dependency of other states on China's economy (over 145 of the world's 196 countries have China as their major trading

partner), is such that even in the absence of armed conflict, a major trade war could prove highly contentious for the world economy.

CONCLUSION

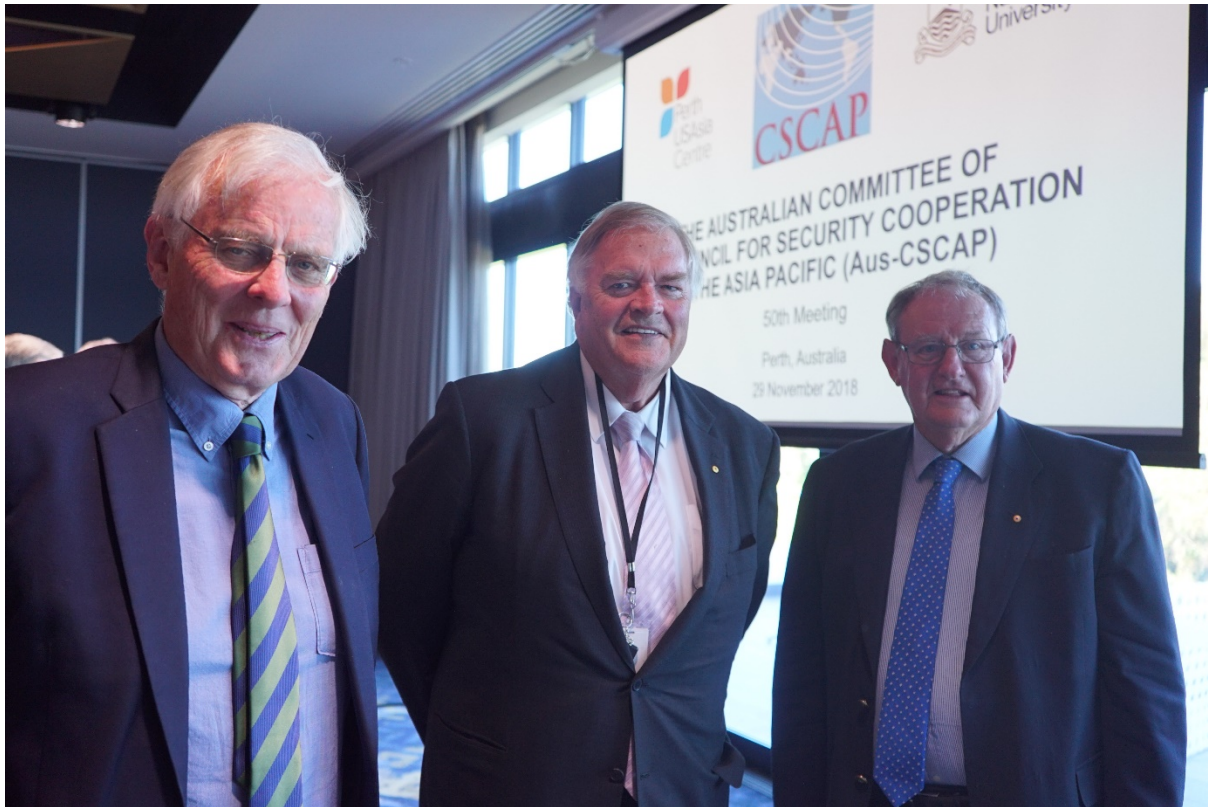
It is probably inevitable that an international discussion on **‘Prospects for a consensus on norms in the Indo Pacific’** would end inconclusively, given the diversity of national interests and a lack of common understanding of what the terms actually mean. One of the conclusions from the discussion was that CSCAP should establish a Study Group in this area, and that its first task should be to map out the different ways in which the phrase ‘rules-based order’ is interpreted and understood. This would involve investigation across the wide range of member countries of CSCAP.

An optimistic observation was that most countries follow most current rules most of the time, and while national interests and variation in historical experience and culture can lead to contests of views over specific rules, there still seems to be a wide commitment to the ideal of rules-based international behaviour. One immediate task, as Henry Kissinger has pointed out, is to attempt to translate divergent cultures into a common international rules system. A question is, what role can CSCAP play in such an endeavour?

(Folder -AusCSCAP/meetings /50th/Report for posting- 8 Jan)



From left: Ambassador Lyn Khun Maung (Myanmar); The Hon. Julie Bishop, MP; Mr Richard Smith – Co-chair, AusCSCAP; and Ambassador Wiryono Sastrohandayo (Indonesia)



AusCSCAP Co-chairs Professor Tony Milner and Mr Ric Smith, with HE Kim Beazley, Governor of Western Australia.



From left: Prof Stephen Smith, US Asia Centre; with AusCSCAP Co-chairs and HE Kim Beazley, Governor of Western Australia.



From left: CSCAP Malaysia chair, Tan Sri Rastam; CSCAP Co-Chairs, Professor Suchit Bunbongkarn and Professor Tony Milner; and AusCSCAP Co-chair Ric Smith



Meeting in plenary.