

Australian Member Committee of the Council for  
Security Cooperation in the Asia Pacific  
College of Asia and the Pacific  
Strategic and Defence Studies Centre (SDSC)  
Australian National University  
E-mail: [auscscap@anu.edu.au](mailto:auscscap@anu.edu.au)

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## **Advancing Australia's strategic interests through existing regional architecture**

### **SUBMISSION TO THE SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES COMMITTEE**

The Australian member committee of the Council for Security Cooperation in the Asia Pacific (Aus-CSCAP) welcomes the invitation to contribute to this Committee's examination of this subject.

The reference is timely. Much of the existing architecture in the region was created in the 1980s and 1990s. The aims then were to ensure that the rapid economic growth enjoyed by key countries could be shared across the region with an accumulated benefit for all, and that regional security could be underpinned by cooperative approaches. These complementary objectives were widely shared by Asia-Pacific countries at the time, and were reflected in the institutions that were created and the way they worked.

Three decades on, the policy environment of the region has changed with sharper major power strategic competition and the idea of the Asia-Pacific region giving way to the wider Indo-Pacific. There should be no doubt that regional institutions and forums have a part in strengthening Australia's security and economic influence. They should also be important in ensuring that Australia has the capacity (in Prime Minister Morrison's words) to help "shape" our "strategic environment" and to sustain and contribute to the evolution of the Rules Based Order which is critical to Australia's global interests. The question is whether these ends would be better served by using the existing architecture differently, or whether instead the new environment requires new or more institutionalised architecture.

While governments mostly did the heavy lifting in assembling the existing regional institutions, 'Track 2' diplomacy has always had a role. The Council for Security Cooperation in the Asia Pacific (CSCAP) was important in this following its formation in 1993, and continues today to address issues critical to the security of the region. Arguably, in an environment in which consensus among governments is more elusive and strategic competition is shaping regional relationships, Track 2 has even more to offer.

## 1. Australia's record

Reviewing our record in engaging regional architecture can serve to remind our neighbours as well as ourselves of Australia's long-term, regional commitment. Over a century, governments from both sides of Australian politics have valued Australia's Western alliances – first with Britain, and then with the United States – but they have also sought to develop multilateral as well as specific bilateral engagements in our own region.

In the 1920s, Prime Minister Bruce proposed a “league of nations of the nations of the Pacific”. A decade later the Lyons Government attempted to establish a “pact” of “non-aggression and consultation between all the countries of the Pacific” – and saw it embracing “a general declaration of economic and cultural collaboration.”

Following World War II, there were a number of *externally-driven regional initiatives* - including the United Nations Economic and Social Commission for Asia and the Pacific (ECAFE, later ESCAP) and the Cold-War, American-led Southeast Asia Treaty Organization. With respect to *indigenous regional institutions*, in the 1960s - together with South Korea, Japan and a number of Southeast Asian countries - Australia joined the Asia and Pacific Council. It was not a great success – but the Pacific Economic Cooperation Council (PECC), which Prime Minister Fraser and the Japanese Prime Minister initiated in 1980, led to the establishing of APEC (Asia-Pacific Economic Cooperation) - in which Australia played the leading role.

Australia embraced ASEAN (Association of Southeast Asian Nations) at an early stage in its development. Labor and Coalition governments alike have contributed to the evolution of that organization and have remained engaged with ASEAN regionalism.

Southeast Asia is inescapably of central strategic significance to Australia. This is understandably the part of the Asian region in which we must and have been most active and influential in our diplomatic, economic and defence engagement.

ASEAN, initiated by five Southeast Asian countries in 1967, has gradually expanded to incorporate all ten countries of Southeast Asia. Australia became ASEAN's first Dialogue Partner in 1974 - and in 1994 was a leader in establishing the ASEAN Regional Forum (ARF). In 2005, Australia negotiated membership of the leaders' strategic dialogue, the ASEAN-led East Asia Summit (EAS) – and did so five years before the United States and Russia joined that process.

In addition to the ARF Foreign Ministers' Meeting, Australia participates in the ASEAN Defence Ministers Meeting (ADMM-Plus), which commenced in 2010 and brings ASEAN members together with all ASEAN's Dialogue Partners.

Beyond the ASEAN-led institutions and APEC, Australia has joined Japan, India and the United States in the Quadrilateral – a security dialogue, now extending its focus to incorporate cooperation in health and other ventures. The Quad differs from most other institutions created from the 1960s in not being an inclusive initiative. The Shanghai Cooperation Organization - led by China and Russia - is also not inclusive in character. In considering the *complementarity of regional security groupings* the distinction between inclusive and non-inclusive groupings is important. The earlier ASEAN-led groupings and APEC tend to be inclusive, more recent additions less so.

As well as official government-to-government regional architecture, Australia has been creative in non-government (Track 2) regional organizations. PECC is a leader in the economic area; the

security dialogue, the Council for Security Cooperation in the Asia Pacific (CSCAP) was an initiative of strategic studies centres in Australia and nine other countries in the region.

Australia is of course a member of an array of Asia-Pacific, Asian, or Indo-Pacific non-government professional organizations – including the Association of Asian Social Science Research Councils (AASSREC).

Asialink at the University of Melbourne, and at times the Australian Institute of International Affairs, are non-government institutions active in Track 2 diplomacy. For well over a decade, Asialink has joined the ASEAN Institutes of Strategic Studies (ASEAN-ISIS) and the Asia New Zealand Foundation in organizing an annual dialogue in Kuala Lumpur – the ASEAN-Australia-New Zealand-Dialogue. Such processes involve government officials as well as former government officials and think-tank, media and academic specialists.

Australia's engagement with regional architecture, therefore, has history and momentum at both the official and non-official levels. It supplements our resources and education exports, and our military capacities, in enhancing our regional credentials. Having invested much in the building of such institutional architecture there would be no advantage in indicating any weakening of commitment.

## **2. Suitability of existing regional architecture**

It is true that the existing institutions by no means satisfy all of Australia's regional objectives. But at both government and Track 2 levels regional groupings have made progress in addressing such themes as trade liberalization, the development of democracy, responses to economic crises, maritime security, cyber and critical technology, critical minerals, countering violent extremism and disaster and humanitarian relief.

While Australia is sometimes frustrated by the nature of decision-making and the weaknesses in implementation – particularly in ASEAN-led bodies - there are reasons to be patient and to sustain our engagement.

First, the ASEAN-led architecture and APEC can claim achievements. Economic development has been promoted successfully, and not only by APEC. A recent ASEAN-led achievement is the Regional Comprehensive Economic Partnership (RCEP), which includes all the countries of East Asia as well as Australia and New Zealand. Also, with respect to ASEAN, if we look back over seven decades it is extraordinary that a region once among the most dangerous in the globe has now become relatively stable. In particular, a remarkable reconciliation has been forged between communist and non-communist states. Beyond Southeast Asia, ASEAN has been important in bringing China, Japan and South Korea into dialogue, particularly in the ASEAN Plus Three grouping. The smaller Southeast Asian states, in fact, have been leaders in promoting not just Northeast Asian dialogue but also pan-Asian regionalism.

In bringing all relevant players together, the existing institutions help to inform participants about developments right across the region – some with the potential to stimulate region-wide conflict. These institutions also develop and maintain channels of communication not only in formal multilateral settings but also in informal interactions around the edge of the main meeting. The importance of bilateral meetings in the margins of these gatherings should not be underestimated. For example, the meeting between then Prime Minister Howard and Chinese President Jiang Zemin during the APEC Leaders' Meeting in Manila in late 1996 was a critical circuit-breaker at a difficult time in the Australia-China relationship.

Secondly, in considering the ASEAN-led architecture, Southeast Asia is so strategically central to Australia's security that it remains important to work steadily in multilateral (ASEAN) as well as bilateral contexts to maintain our influence. Australia's reputation as an enthusiastic and creative supporter of regional processes is a political asset.

Thirdly, there is a need to recognize differences in approach to regionalism. Australians have tended to take a functionalist perspective, rating the success of a regional institution in terms of its ability to make and enforce decisions regarding practical matters – economic and development issues, security relations, health and so forth.

Australian commentators sometimes dismiss ASEAN-led institutions as mere 'talk-shops'. Within the region there is certainly sympathy for the output-oriented, functional approach – particularly, perhaps, in the ASEAN Plus Three and ASEAN Plus One processes. Nevertheless, it is an ASEAN view that several ASEAN-focussed institutions – the ARF, the East Asian Summit - were specifically developed as dialogue forums rather than action bodies. Also, given the complexity of the region – the influence of Islamic, Buddhist, Confucian, democratic and communist traditions; the divisive impact of a century of colonialism; and the conflicts resulting from the Cold War – there is a felt need for specifically community-building dialogue. Given Asia's scale and diversity, as well as its recent history, promoting a sense of community – achieving unity within both ASEAN and across Asia more generally through patient deliberation – is seen as a strategic objective in itself. It can be viewed as more important than forcing agreement on a practical policy.

Although such *identity regionalism* with its consensus decision-making can be frustrating, Australian negotiators have generally been wise in not expressing disdain for the process. To have influence on our regional environment, Australia needs to be a participant in the 'conversation of the region' – and this 'conversation' takes place in Track 2 as well as government-to government bodies. There can be no advantage in Australia being dismissed as an outlier.

Fourthly, although Australia might prefer a more coherent regional architecture, achieving this would be difficult. A single body inclusive in membership - and able to take and implement decisions on security, economic and other matters – has obvious attractions, but the current complex architecture is not to be understood merely as a design fault. The fact that the region itself is highly complex – with no unifying civilizational heritage and relations between states being influenced by long-term suspicion – needs to be taken into account. The different regional institutions have developed in specific historical contexts. Attempting to create a new comprehensive institution would likely exacerbate rather than mediate regional tensions. This reality does not preclude examination and debate regarding whether existing processes can be more productive and better coordinated.

Fifthly, and critically, engaging with the existing regional organizations has assisted Australia in the past to build cooperation and partnerships on key issues. Examples are Australia's endeavours in the Cambodian peace process, the Timor crisis, counter-terrorism endeavours, the management of regional people-smuggling and trade facilitation. It is unlikely that Australia working alone in Asia – or with only the cooperation of Western partners – could be more effective.

### **3. The changing strategic environment**

The changing environment in certain ways *enhances the value of existing architecture*.

The issue driving political agendas throughout the Indo-Pacific is coming to terms with a powerful China – the challenge of responding to the interests of a rising China while ensuring continuing US high-level engagement in the region.

The shift in power from the North Atlantic to Asia and the Pacific alters radically Australia's strategic positioning. For one matter, Australia's relative significance in the region has diminished – even with respect to Southeast Asian countries. The days when Australia's GDP or its military expenditure was as large as that of ASEAN combined have past. Today ASEAN is the largest trading partner for China and is courted by investors from Japan and Korea as well as the European Union and the United States. Because Australia matters less to Southeast Asia than we once did, we need to be smarter in leveraging the assets we have, including our diplomatic and academic experience with existing Asian regionalism.

The sharpening competition between China and the United States – so central in the new strategic environment – threatens to divide the Indo-Pacific, including through the promotion of rival institutional architecture. The Shanghai Cooperation Organization (SCO), one of a number of Chinese institutional initiatives, is an example of this emerging competition. The Quadrilateral is perceived by many to be a counter example. In considering these rival initiatives, it is important to note an element of overlap as well as possible ambiguity and mobility. India, although a member of the Quad, is also a full member state of the SCO. The ASEAN organization and several Southeast Asian countries have also been involved in SCO meetings.

Australia needs to know what takes place in the SCO and other China-led dialogues. But the emergence of the SCO and the Quad also highlights the importance of other, inclusive regional groupings - in which not some but all key regional players are present. We have opportunities in such wide-membership meetings to gauge changing relationships and alignments – as well as to assist in moderating tensions. The more the region is divided the more important it is to promote such inclusive gatherings.

#### **4. Institutionalising new security groupings**

In our view there is a need to be cautious about institutionalising non-inclusive groupings. In the case of the Quad, its primary purpose is to signal to China that it cannot set the regional order unilaterally. While cooperation among its member countries on economic and development issues in the Indo-Pacific may well be of material benefit, any attempt to institutionalise the Quad would be unrealistic - because its operational utility would be limited by the divergent national interests of the key parties. Nor are other countries lining up to join the Quad – indeed, some have reservations about its divisive effect in the region.

#### **5. The role of Track 2 regional architecture in deepening Australia's strategic cooperation across the Indo-Pacific**

In seeking to advance Australia's strategic interests, Track 2 endeavours can supplement official regionalism. It is in the nature of Track 2 to take note of government objectives in a way that other non-government professional organizations are less likely to do.

- Track 2 seeks to bring Australian officials in closer dialogue with non-government specialists in our country – and to help build networks with influential specialists (including government officials) in other regional countries.

- Track 2 has the potential to tackle sensitive issues which might be contentious or awkward to raise at the official level.
- Track 2 can explore and investigate new possibilities for collaboration, where governments themselves may wish to avoid a public commitment.
- Track 2 can provide useful feedback to government, gauging where one official initiative or another may or may not meet with regional approval.
- In certain instances in the Australian case, Track 2 has been able to provide opportunities - through its meetings and conferences, and its regional network - to advance or at least explain a government policy objective.

Areas in which Track 2 discussion has made a contribution to official processes over the last decade or so include counter-extremism, refugee and other illegal people movements, South China Sea maritime relations, peacekeeping, regional architecture, post COVID-19 pandemic prospects and deliberation on the Rules Based Order.

With respect to Track 2 capacity to assist government endeavours, former Foreign Minister Gareth Evans was a strong proponent and his successor Alexander Downer (in a recent interview) said he “always thought that Second Track contacts are much more important than governments often realise.” He commented that he himself “made extensive use of those lines of communication. It’s another way of getting messages across ... without having to make public statements or leaving yourself in a position of honest deniability.” More recently, Minister Payne has encouraged CSCAP “to explore new approaches to development in the context of increased strategic competition”, and particularly in regard to the rules-based order, “how the multilateral system is affected by, and can respond to, increasing geostrategic competition” (Minister’s letter to Aus-CSCAP of 4 October 2019).

## 6. In summary

***While Australia cannot walk away from the existing architecture, we can’t expect more formal changes in this architecture even as the political and strategic environment is changing. Rather, we have to work out how best to use what we have – operating at both the government-to-government and Track 2 levels - to meet changing needs. It is more important than ever to take opportunities offered within this architecture to strengthen bilateral as well as multilateral understanding and cooperation – tackling such growing issues as health, cyber-security, maritime security and the promotion of a Rules-Based Order.***



Richard C Smith, AO PSM  
Co-Chair, Aus-CSCAP



Professor Anthony Milner, AM, FASSA  
Co-Chair, Aus-CSCAP