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### **The Indo-Pacific Construct: Implications for Australia**

**Abstract:** The paper examines Australia's perspective through the prism of the Indo-Pacific region as a US-centric geopolitical construct. Starting from a reveal of major reasons behind Canberra's receptiveness of the Washington-driven Indo-Pacific narrative, the paper discusses Australia's reaction to the revival of the idea of Indo-Pacific region by the Trump administration 2017 to finally turn to the factor of the PRC's mega-strategy Belt and Road Initiative in shaping the Australian policy, including its Indo-Pacific dimension. The author argues that while in a short-term perspective Australia may benefit from participating in the development of the US-led initiatives with a pronounced anti-Chinese component, like the Indo-Pacific region with the Quadrilateral Security Dialogue (Quad) as its main institutional platform, as well as the trilateral security alliance AUKUS, this policy course will be detrimental to Canberra's long-term interests.

**Keywords:** *Australia, China, US, Indo-Pacific region, South Pacific region, Belt and Road Initiative*

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## ФОРМИРОВАНИЕ ИНДО-ТИХООКЕАНСКОГО РЕГИОНА: ПОСЛЕДСТВИЯ ДЛЯ АВСТРАЛИИ

**Аннотация:** В статье проводится анализ влияния формирования Индо-Тихоокеанского региона как одного из американоцентричных геополитических проектов на интересы Австралии. Выявив причины позитивного восприятия Канберрой идеи Вашингтона о создании Индо-Тихоокеанского региона, автор переходит к анализу отклика Австралии на возобновление нарратива об Индо-Тихоокеанском регионе администрацией Д. Трампа в 2017 г. и далее к рассмотрению воздействия мега-стратегии КНР Инициатива «Пояс и Путь» на политику Австралии, включая ее индо-тихоокеанское измерение. С точки зрения автора, хотя в краткосрочной перспективе Австралия может получить позитивную отдачу от участия в развитии американоцентричных инициатив с отчетливым антикитайским компонентом, наподобие Индо-Тихоокеанского региона и Четырехстороннего диалога по безопасности как его основного института, а также трехстороннего оборонного альянса AUKUS, такая политика негативно скажется на долгосрочных интересах Канберры.

**Ключевые слова:** Австралия, Китай, США, Индо-Тихоокеанский регион, Южно-Тихоокеанский регион, Инициатива «Пояс и Путь»

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The narrative of the Indo-Pacific region (IPR) plays an increasingly prominent role in the discussions and practically-oriented activities across the Pacific and the Indian Oceans. In the expert and political lexicon, the Indo-Pacific construct replaces the established idea of the Asia-Pacific region and serves for defining a pro-US se-

curity and potentially economic area spreading across the two oceans.

As a state that borders the Pacific and the Indian Oceans, Australia pays significant attention to the evolution of the Indo-Pacific construct. More than that, Australia participates in many activities undertaken as part of the IPR. The major problem, however, to which Australia has to respond stems from a well-known observation made by E. Feigenbaum on two Asias: the "economic Asia" and the "security Asia"<sup>1</sup>. To trace how Australia tries to reconcile that contradiction is a timely and relevant exercise.

### **Australia and the Indo-Pacific Construct: Contributory Factors**

Since the 1940s, the international milieu of the Commonwealth of Australia has been relatively stable, which is in contrast with the problems the country is encountering at present. Canberra enjoys close economic relations with China, simultaneously relying on military cooperation with the US that provides the country with security guarantees. Australia's growing trade dependence on China has a substantial impact on its foreign policy. Consequently, Canberra struggles to maintain a balance between Beijing and Washington as its largest economic and security partner respectively. However, Australia's external milieu as a prerequisite for a successful pursuit of its national interests is getting increasingly complicated due to a rising confrontation between the two great powers.

For the last seventy years, Australia has traditionally been one of Washington's most loyal partners, including a party of the ANZUS treaty that formed the basis for relations between Canberra and Washington<sup>2</sup>. According to the treaty, the parties pledged to strengthen their military capabilities and to cooperate on security issues in the Pacific Ocean, collectively responding to common threats.

The events of World War II contributed to the formalization of the US-Australia cooperation. Since then, the US interest in the South Pacific has accounted for deploying air, naval and support bases. Part of that task related to maintaining the US control over the islands of Micronesia (the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau), including

by means of Compact of Free Association signed in 1986<sup>3</sup>. Under its provisions, Washington provided those territories with financial support for 15 years; in exchange, Pentagon controlled all the security issues of that area. For Washington, the Pacific territories accounted for part of the "Pacific defense ring" stretching from Alaska from the Aleutian Islands to the military bases in Hawaii and then to the South Pacific.

The US idea of establishing military blocs and broad systems of partnerships is far from new. In fact, Washington widely uses the practice of distributing responsibilities among its allies and partners, and ANZUS was no exception. Over the years, however, the Australian leadership has been viewing cooperation with the US as decreasingly rather than directly representing the expected guarantees, because of which Canberra should rely on its own resources, although using the US factor to Australia's best advantage. Since the current priorities of the two countries differ from those of the 1950s, Australia needs to reconsider the foundations of its cooperation with the US.

In July 2001, Australian's Foreign Minister A. Downer called for establishing a trilateral alliance between the US, Australia and Japan<sup>4</sup>. The idea gained support from C. Powell, as he saw it as an attempt to identify new forms of security cooperation between the US and its partners. Then the Japanese vector of Australia's policy gained traction. In 2003, Australia and Japan adopted a Joint Statement on Cooperation in Combating International Terrorism<sup>5</sup>, while in 2007, the Australian Prime Minister John Howard and the Japanese Prime Minister Abe Shinzo signed a Joint Declaration on Security Cooperation<sup>6</sup>. The practical activities, exemplified by the Malabar Naval Exercise, followed almost immediately.

The Australia-Japan strategic partnership formed a well-functioning system of bilateral political-military cooperation that is complemented by the trilateral dialogue mechanisms involving the US. In addition, the two parties established joint research, development and production of military technologies, as well as agreed on transfers of defense equipment.

Notably, Australia was the first country to formally introduce the "Indo-Pacific" narrative in its political lexicon. Canberra is unique in many ways: it is a middle power with an access to the sea lanes of communication between the Indian and the Pacific Oceans.

It develops military cooperation with the US and simultaneously has close economic, social and security ties with Asian actors. Canberra made a significant intellectual and substantial contribution to the implementation of multilateral projects in the Asia-Pacific region, specifically, Asia-Pacific Economic Cooperation (APEC), the ASEAN Regional Forum (ARF) and the ASEAN Defense Ministers Meeting Plus (ADMM Plus).

Australia's 2016 Defence Annual Report<sup>7</sup> and 2017 Foreign Policy White Paper<sup>8</sup> elaborated on guidelines for Canberra's strategy. Compared to the US vision of the Indo-Pacific initiative with a pronounced anti-Chinese component, a close look at Australian version of the Indo-Pacific region reveals the emphasis on an intensive cooperation among middle and small powers along with a pronounced interconnectedness between the Indian and the Pacific Oceans.

On the whole, before the Indo-Pacific narrative got a second wind, Australia was receptive to cooperation across the two oceans. More than that, this option perfectly responded to Canberra's historical background from a substantial and an institutional perspective, and on-going priorities.

### **The Revival of the Indo-Pacific Narrative and Its Implications for Australia**

The November 2017 meeting of the US, Japanese, Indian and Australian diplomats on the sidelines of the East Asia Summit foreshadowed the eventual revival of the "Free and Open Indo-Pacific region" narrative. It appeared in both the US official documents such as National Security Strategy<sup>9</sup> and National Defense Strategy,<sup>10</sup> and the rhetoric of many regional actors. Among other priorities, the new US-Japan-India-Australia format, the so-called Quad, suggested containing China's maritime capabilities and the PLAN's activity in the South China Sea. In the new paradigm, the US regional partners are supposed to take responsibility for the implementation of Washington's policy to curtail Beijing's growing influence. In a long-term perspective, Washington expects the Quad to be part of a flexible and effective security structure that does not overlap with the existing multilateral security venues and initiatives.

The Quad's revival can be attributed mostly to the PRC's mega-strategy the Belt and Road Initiative (BRI). In contrast to the US-centric alliances, China offers its own version of "common security" system across the Eurasian continent. The PRC's refusal to recognize the 2016 the Permanent Court of Arbitration award on the South China Sea issue also contributed to increasing regional tensions.

The Australian 2016 White Paper identified major challenges that the South Pacific states are facing, including "slow economic growth, social governance, climate change and population growth", and noted that instability could lead to increasing extra-regional influence, to the detriment of Australia's interests. Canberra recognizes that "countries from outside the South Pacific will seek to continue to expand their influence in the region, including through enhanced security ties"<sup>11</sup>. The South Pacific remains the area from or through which a military threat to Australia can most easily be posed. Consequently, in case Canberra ignores the presence of other powers, especially China's assertive policy, the Australian influence in the South Pacific will continue to diminish<sup>12</sup>. Although Beijing does not aim to fully displace Canberra and Washington as the South Pacific dominant powers, evidence that Beijing is expanding its presence in the region is in overabundance.

As a response, in July 2020, the Australian Foreign Minister Maryse Payne and Defence Minister Linda Reynolds held talks in Washington with their US counterparts Mike Pompeo and Mark Esper on strengthening defense cooperation. After the meeting, the decision to establish a strategic fuel reserve for the US military personnel in Darwin was announced<sup>13</sup>. Back in 2011, the US deployed Marine Rotational Force at Robertson Barracks and at RAAF Base Darwin with a gradual increase in the contingent to 2500 people<sup>14</sup>. Darwin is a port city that may provide a quick access to the South China Sea. The presence of the US troops there complements the US military deployments in Guam, Hawaii, as well as in Diego Garcia.

At the same time, however, the question of how Australia's participation in the US initiatives and in the ASEAN dialogue platforms remains open. The US-led Indo-Pacific construct may well undermine the inclusive and neutral cooperation agenda on which the

ASEAN-centric institutions are premised and which has kept the US-China contradictions in a relatively manageable state to date.

On the whole, the Indo-Pacific narrative and its transformation presents Australia with serious challenges, affecting Australia's economic prospects, its participation in the ASEAN-led dialogue venues and its leadership in the South Pacific.

### **The BRI Connection**

For Beijing, the South Pacific region is important in terms of exploring its resources and controlling a vast maritime area through which part of the BRI runs. For Canberra, it means prospects for the China's economic and eventual security control over Australia's immediate neighborhood. This scenario will fundamentally change the international milieu in which Australia has pursued its foreign policy since the end of the World War II.

The implementation of the BRI in the South Pacific mirrors the essence of the PRC's approach: investing in infrastructure facilities and other long-term projects that can generate sustainable growth, simultaneously avoiding politically sensitive issues. Accordingly, economic cooperation with China includes the political and security dimension. As the South Pacific is a link between East Asia and Latin America, China strives to increase its political influence there.

The Australian media reported that China intended to establish a military base in Vanuatu that is less than 1500 miles from Australia's northeastern coast. Commenting on it, M.Green and A.Sheaper from the Center for Strategic & International Studies assumed that China's defense infrastructure and overall military posture in the South Pacific "could also be used to support increasing power-projection operations in the region"<sup>15</sup>. As the PRC has already built military facilities on the South China Sea land features, it may potentially be synergized with the anticipated military infrastructure in Vanuatu.

Canberra worries about Beijing's attempts to incentivize the elites of the South Pacific small island states to follow the "debt trap model" of cooperation. As stated earlier, the PRC's intentions are not limited only to the power projection. They are supported by hundreds of millions of dollars committed to building industrial, social and

commercial infrastructure in those states. Remarkably, Washington and Canberra were surprised “to find Chinese companies offering to build casinos on the exact locations in Micronesia”<sup>16</sup>, where the US Air Force and Marine Corps have been planning to build new facilities<sup>17</sup>. Most importantly, the PRC integrates the categories “security” and “development”, portraying itself as the only benefit provider in addressing the non-traditional security issues: poverty, social instability, lack of infrastructure etc.

Responding to China’s policy, as well as to the criticism about the ineffectiveness of the US alliances in the Pacific, the US, Japan, and Australia launched the infrastructure project “Blue Dot Network” in November 2019. It stresses the need to construct infrastructure objects that meet robust international quality standards of transparency, sustainability, and developmental impact, as well as to attract investment in such projects<sup>18</sup>. The American experts proposed a one-size-fits-all response to the PRC’s infrastructure initiatives. It is envisaged that the “Blue Dot Network” project will eventually become a globally recognized venue for an evaluation and certification of roads, ports and bridges, focusing specifically on the Indo-Pacific territorial domain.

By participating in the “Blue Dot Network”, its members pursue vested national interests. Washington is motivated by strategic considerations, searching for ways to respond to the challenges presented by the BRI. Japan and Australia aim to diversify their foreign policy instruments, hedging against China’s rising influence.

An outline of the anti-BRI component in the recent initiatives would be incomplete without addressing AUKUS, a recently created partnership between the US, Great Britain, and Australia<sup>19</sup>. AUKUS may allow its participants to intensify exchanges in long-range weapons, cybernetics and artificial intelligence, as well as demonstrates that Washington is serious about increasing the American regional and global influence.

The establishment of the trilateral partnership caused a diplomatic scandal amidst Australia’s rejection of the \$90bn contact with the French company “Naval Group”<sup>20</sup>. As part of the new alliance, the Australian Naval Forces are to receive the American nuclear submarine fleet equipment, Tomahawk cruise missiles, AGM-158 JASSM air-launched cruise missiles and anti-ship missiles. The es-



establishment of AUKUS can possibly lead to a destabilization of the security milieu across the Indian and the Pacific Oceans due to the anticipated transfer of nuclear submarine technologies. This is all the more disturbing since the Japanese Defence Minister Taro Kono, the Former Japanese Justice Minister Sanah Takaichi and the Former Indian Navy Chief of Staff Admiral Arun Prakash spoke in favor of acquiring multi-purpose nuclear submarines.

It needs stressing again that alliances like the Quad and AUKUS tend to erode the already existing Asia-Pacific dialogue formats. The US Indo-Pacific construct with a clear anti-China agenda undermines, or at least weakens, the ASEAN-led venues, namely, the ARF, the ADMM Plus and the EAS, that operate on the principle of consensus. Washington's focus on a dramatic expansion of cooperation in the Indo-Pacific framework forces other regional countries to sacrifice their ties with Beijing, to the detriment of the ASEAN-centric multilateral venues. Lastly but importantly, AUKUS, like Quad, may negatively influence on the economic cooperation across the two oceans by affecting critical sea lanes of communication.

### **Conclusion**

Considering Australia's geostrategic importance to the US, as well as more than 70 years of the US-Australia cooperation, relations with Washington remain very important to Canberra. Australia's location in the Indian and the Pacific Oceans makes it convenient for the implementation of the US plans. At the same time, as the US is unable to pursue its regional policy without loyal partners, Canberra can shape some aspects of cooperation with Washington to Australia's best advantage.

At the same time, Australia has to navigate the minefields of its relations with the US and the PRC. Mediating between Washington and Beijing, Canberra is strengthening its own influence in the Pacific Ocean, in order to maintain its leadership position there.

Arguably, as the US-China contradictions intensify, profound negative consequences for Australia's security, extending to economy and related spheres will not take long to appear. If so, Washington's promotion of the Indo-Pacific construct, although attractive in a short-term perspective, will be detrimental to Australia's long-term interests.

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<sup>3</sup> Compact of Free Association Act of 1985. U.S. Department of the Interior. URL: <https://www.doi.gov/oia/about/compact>

<sup>4</sup> Powell C.L. Press Conference With Secretary of Defense Donald Rumsfeld, Admiral Dennis C. Blair, Foreign Minister Alexander Downer, Minister of Defense Peter Reith, and Admiral Chris Barrie. U.S. Department of State Archive, July 30, 2001. URL: <https://2001-2009.state.gov/secretary/former/powell/remarks/2001/4350.htm>

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<sup>7</sup> Department of Defence, 2016. URL: <https://www1.defence.gov.au/about/publications/defence-annual-reports>

<sup>8</sup> 2017 Foreign Policy White Paper. URL: <https://www.dfat.gov.au/sites/default/files/2017-foreign-policy-white-paper.pdf>

<sup>9</sup> National Security Strategy of the United States of America, 2017. URL: <https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>

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<sup>16</sup> Ibidem.

<sup>17</sup> Wroe D. China eyes Vanuatu military base in plan with global ramifications // the Sydney Morning Herald. April 9, 2018. URL: <https://www.smh.com.au/politics/federal/china-eyes-vanuatu-military-base-in-plan-with-global-ramifications-20180409-p4z8j9.html>

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