

# PERSPECTIVE

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## **Strategic Divergences: Australia and Maritime Southeast Asia**

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### **EXECUTIVE SUMMARY**

- Australian and maritime Southeast Asian states' responses to the Cold War and American unipolarity eras were convergent and provided a strong basis for strategic cooperation and mutual benefit.
- Early signs indicate that Australian and maritime Southeast Asian states' responses to the new era of US-China rivalry are not.
- Areas of divergence include strategic geography, greater burden-sharing with the USA, and China's growing influence.
- These divergent responses provide strategic benefits to maritime Southeast Asian states.

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## INTRODUCTION

The last decade has produced an unprecedented number of foreign policy and defence white papers from governments in Australia and in Southeast Asian countries that have exclusive economic zones in the South China Sea. Australian governments produced defence white papers, in 2009<sup>1</sup>, 2013<sup>2</sup> and 2016<sup>3</sup>. And in 2015, the new Jokowi administration in Indonesia did likewise.<sup>4</sup> In 2017, Australia published its third ever foreign policy white paper and first since 2003.<sup>5</sup> 2019 was a bumper year for Southeast Asian official documents on grand strategy: Vietnam produced a national defence white paper;<sup>6</sup> the *Pakatan Harapan* government in Malaysia released the country's first defence white paper<sup>7</sup> and the *Foreign Policy Framework of the New Malaysia*;<sup>8</sup> and ASEAN its first ever Outlook document, the *ASEAN Outlook on the Indo-Pacific*.<sup>9</sup>

China's growing influence as a regional superpower and the increasingly rivalrous US-China relationship motivate the documents' timing and contents. By statement or inference, each recognizes that their respective states and ASEAN must respond to the changing regional strategic environment due to expanding superpower contestation. These public statements of strategic principles suggest that Australia and maritime Southeast Asian responses to this new strategic era will not be as convergent as their past responses were to the Cold War era of US-USSR superpower rivalry, or the succeeding one of American unipolarity. Recent policy decisions by Australia and key maritime Southeast Asian states show this divergence in action and not just in words.

## THE COLD WAR AND AMERICAN UNIPOLARITY

The Cold War created a conducive environment for strategic cooperation between Australia and the states of maritime Southeast Asia. All were on the same side of the bi-polar Cold War order and focussed on the threat of the spread of Communism to and in maritime Southeast Asia. Australia fought in the Vietnam War on this basis. When Great Britain drastically reduced its security presence in maritime Southeast Asia, Australia increased its regional security burden through active participation in the Five Powers Defence Arrangements agreed to in 1971. From 1958 to 1988, the Butterworth air base in Malaysia was under Australian leadership.<sup>10</sup> Concerns about the spread of Communism were a vital ingredient in the establishment of close security relations between Indonesia and Australia from the Soeharto period onwards despite much distrust and misunderstanding between the two very different neighbours. In 1974, Australia became the first formal dialogue partner of ASEAN followed shortly by its Cold War peers, New Zealand, Japan, USA, Canada and the European Union.

The brief post-Cold War era with the USA as the sole superpower saw further strategic convergence between Australia and maritime Southeast Asian states. Australia strongly supported ASEAN's efforts to enhance its dialogue partner relations through the establishment of ASEAN-centred wider regional groupings starting with the ASEAN Regional Forum in 1993. Australia and Japan were two of the most active protagonists of the concept of an Asia-Pacific region spanning from Southeast Asia to North America that all maritime Southeast Asian states also embraced, while the USA was this region's most important power. Australia held the first APEC meeting in 1989; the USA the first APEC leaders' meeting in 1993; Indonesia was host when APEC came up with its founding vision, the 1994 Bogor Goals; and the APEC Secretariat is housed in Singapore.

Australia and Southeast Asian states also converged on dealing with China's growing economic influence. China joined APEC, a consensus body, in 1991; In 1996, China became an ASEAN dialogue partner; China then became the first dialogue partner to sign a preferential trade agreement with ASEAN in 2002; Singapore became the first Asian country to sign a bilateral preferential trade deal with China in 2009; and Australia became the second advanced Western economy (after New Zealand in 2008) to sign a preferential trade agreement with China in 2014. Bringing China into the existing regional architecture and engaging it economically was a common grand strategic goal for Australia and the states of maritime Southeast Asia.

## US-CHINA RIVALRY

Each of the recent government grand strategic documents mentioned above argues that continuity in their main strategic principles is the best way to manage the changing strategic circumstances. The 2017 Australian foreign policy white paper states that,

“Our alliance with the United States is central to Australia’s approach to the Indo-Pacific. Without strong US political, economic and security engagement, power is likely to shift more quickly in the region and it will be more difficult for Australia to achieve the levels of security and stability we seek. To support our objectives in the region, the Government will broaden and deepen our alliance cooperation, including through the United States Force Posture Initiatives.”<sup>11</sup>

The 2016 Australian Defence White Paper states that “the government’s highest priority will continue to be our alliance with the US”.<sup>12</sup>

The 2019 Vietnam national defence white paper reaffirms Vietnam’s self-defensive non-aligned approach, repeating its “Four Noes”,

“Viet Nam consistently advocates neither joining any military alliances, siding with one country against another, giving any other countries permission to set up military bases or use its territory to carry out military activities against other countries nor using force or threatening to use force in international relations.”<sup>13</sup>

Malaysia’s 2017 foreign policy framework states that “ASEAN is the cornerstone of Malaysia’s foreign policy.”<sup>14</sup> ‘Activist neutrality’ is one of the five fundamental principles of defence detailed in the 2017 Malaysian defence white paper.<sup>15</sup>

Indonesia’s 2015 defence white paper echoes these Vietnamese and Malaysian sentiments, stating that,

“Indonesia always supports peace, security, stability, and prosperity of the world through non-aligned foreign policy with the principle of **purity** as a non-aligned country.”<sup>16</sup>

Australia’s grand strategic approach based on its alliance relationship with the USA is very different from the non-aligned approaches of maritime Southeast Asia in which ASEAN is often a focal point. During the Cold War and US unipolarity eras, these differences did not

prevent significant strategic convergence. Early signs suggest that this may not be the case in this emerging era of US-China rivalry. There appears to be three areas of emerging strategic divergence.

### *Indo-Pacific vs Asia-Pacific*

Australia, Japan and the USA have all replaced the Asia-Pacific region, which they did so much to establish in the early strategic periods, with the wider Indo-Pacific region in their revised strategic frameworks to address this period of US-China rivalry. Australia was the first to do so with the 2013 Defence White Paper enshrining this change. Indicating how quick and major this change of strategic conception was for Canberra, the 2009 Australian Defence White Paper was entitled *Defending Australia in the Asia-Pacific Century*.

In contrast, Indonesia's 2015 defence white paper maintains the Asia-Pacific region as its broader regional conceptualization as does the 2019 Vietnam national defence white paper. Indonesia's ministry of defence is not on the same cartographic page as Indonesia's ministry of foreign affairs that champions an ASEAN-centred Indo-Pacific regional framework. The 2017 Malaysian defence white paper treats the Asia-Pacific and Indian Ocean regions as separate regions. The *ASEAN Outlook on the Indo-Pacific*, despite its name, does likewise stating that,

“Southeast Asia lies in the center of these dynamic regions and is a very important conduit and portal to the same. Therefore, it is in the interest of ASEAN to lead the shaping of their economic and security architecture and ensure that such dynamics will continue to bring about peace, security, stability and prosperity for the peoples in the Southeast Asia as well as in the wider Asia-Pacific and Indian Ocean regions or the Indo-Pacific.”<sup>17</sup>

This divergence in regional nomenclature would be strategically ephemeral if it were not informed by the different nature of Australia's relations with the USA and China and those of maritime Southeast Asian states. Particularly since Japan and the USA announced their Indo-Pacific frameworks, China has become more critical of this redrawing of the regional strategic map. The hesitancy of ASEAN and maritime Southeast Asian states to embrace the Indo-Pacific is certainly informed by China's reaction, and the focus of the Trump administration's Indo-Pacific framework on rivalry with China.

### *Relations with the USA*

Australia's strategic relationship with the United States is deeper and broader than that of any Southeast Asian state. Australia is a member of the Five Eyes intelligence sharing grouping featuring the United States, and long-range radar facilities in Australia are a vital component of the USA's missile defence system and domain awareness. Recent Australian strategic documents highlight the centrality of the alliance with the US in Australian strategic thought.

The documents from the maritime Southeast Asian countries barely mention relations with the USA. It features most prominently in the 2019 Vietnam national defence white paper in the section on the history of the 'anti-American resistance war for national salvation.' The

Malaysian one does note that “Malaysia is committed to strengthening cooperation with the US in the future.”<sup>18</sup>

Australia has provided consistent bipartisan support for the right of the United States and Australia to conduct freedom of navigation and overflight operations in the South China Sea. Australia’s interpretation of these rights under the United Nations Convention on the Law of the Sea (UNCLOS) is consistent with the American one.

The interpretations of the Philippines, Malaysia, Indonesia and Vietnam are not. Maritime Southeast Asian states have been more ambivalent about American freedom of navigation and overflight operations in the South China Sea. The 2019 Malaysian defence white paper contends that “tensions have sparked in the South China Sea with the arrival of warships from outside the region”, and Prime Minister Mahathir used his 2018 address to the United Nations General Assembly to call for the non-militarisation of the South China Sea.<sup>19</sup> President Duterte has criticized the USA, not China, for increasing the risk of war in the South China Sea. In 2015, Indonesia’s coordinating minister for political, legal and security affairs, Luhut Panjaitan, publicly criticized the first announced freedom of navigation operation in the South China Sea by the Obama administration.<sup>20</sup>

Over the last decade, including during the Trump administration, Australia has supported greater American defence presence and effectiveness in the region. Australia has incorporated the US Aegis radar system on some of their newest naval vessels which will directly contribute to the US ballistic missile defence system in Asia. Australia now hosts an annual rotation of US Marines in the Northern Territory, and a space surveillance C-band radar in a joint military facility in Western Australia.

In contrast, President Duterte has withdrawn the Philippines from the Visiting Forces Agreement with the USA, threatening future US-Philippine exercises and rendering the Enhanced Defence Cooperation Agreement with the USA signed by his predecessor inoperable. The US-Thai alliance is at increasing risk of become strategically adrift.<sup>21</sup> Singapore’s defence relationship with the United States has deepened with the 2012 agreement for the rotational deployment of US Navy littoral combat ships through Singapore, the 2015 deployment of US P-8 surveillance planes in Singapore, and the 2019 renewal of the US-Singapore Military Facilities Agreement.

### *Relations with China*

Despite having a much higher share of total trade with China than any maritime Southeast Asian country, successive governments in Australia have been more willing to criticize China for its infringement of the sovereign rights of maritime Southeast Asian states in the South China Sea and more broadly.<sup>22</sup> Very soon after the July 2016 ruling by an international tribunal under UNCLOS that China was violating Philippine sovereign rights, Canberra called on China to respect the ruling. Australia’s 2017 foreign policy paper reaffirms that the ruling “is final and binding on both parties.”<sup>23</sup> ASEAN and Southeast Asian states outside the Philippines have not followed suit while President Duterte has put the ruling to the side in pursuit of closer relations with China.

In 2013, Australia, along with Japan, South Korea, Taiwan and the USA, publicly criticised China’s decision to declare an air defence identification zone in the East China Sea that

includes maritime features claimed by Japan and South Korea.<sup>24</sup> Again, Southeast Asian states and ASEAN chose silence.<sup>25</sup> In October 2019, Australia, along with Japan and the USA, signed a joint declaration at the United Nations criticizing Beijing's treatment of Uighurs and other Muslim communities in China. No Southeast Asian state was among the 23 signatories.<sup>26</sup>

Successive Australian governments from both sides in parliament have been more vocal about their domestic security concerns with China's growing influence than Southeast Asian states. Australia under a Labor government banned Huawei from participating in the tender for the National Broadband network in 2012 and a Coalition government banned Huawei and ZTE in August 2019 from Australia's 5G auction. Australia banned Huawei from its critical internet infrastructure before the USA or Japan did. No Southeast Asian state has publicly banned Huawei and ZTE from their critical internet infrastructure, though Vietnam is pursuing the development of its 5G network without Chinese firms.<sup>27</sup> Brunei, Malaysia, Indonesia and Thailand have welcomed Chinese firms to participate in their future 5G networks.

## **SOUTHEAST ASIAN BENEFITS**

Divergence from a point of close convergence is far from a situation of opposition or of no shared interests. In the current case of Australia and maritime Southeast Asian states, this is further buttressed by the fact that the recent divergences stem from the change in the external environment to one of US-China rivalry and not in the long-standing grand strategies of Australia or maritime Southeast Asian states.

For these maritime Southeast Asian states and ASEAN, these strategic divergences, if they remain moderate, provide three benefits:

- Australia, despite its security concerns about China's growing influence, is still pursuing deeper economic integration with China as are Southeast Asian states. Australia signed the ASEAN-led Regional Comprehensive Economic Partnership (RCEP) agreement in 2019 which includes China as its largest economy, and has not joined Japan in calls to delay RCEP until India joins.
- Australia's greater burden sharing with the USA supports the American security presence in maritime Southeast Asia in ways Southeast Asian states and ASEAN cannot do.
- Australia's greater willingness to criticize China's unlawful activities in the South China Sea raises the costs for China of such regionally destabilizing actions.

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<sup>1</sup> *Defending Australia in the Asia-Pacific Century: Force 2030*, Department of Defence, Australian Government 2009,

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<sup>2</sup> *Defence White Paper 2013*, Department of Defence, Australian Government, [https://www.defence.gov.au/Whitepaper/2013/docs/WP\\_2013\\_web.pdf](https://www.defence.gov.au/Whitepaper/2013/docs/WP_2013_web.pdf)

<sup>3</sup> *Defence White Paper 2016*, Department of Defence, Australian Government, <https://www.defence.gov.au/WhitePaper/Docs/2016-Defence-White-Paper.pdf>



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- <sup>4</sup> *Defence White Paper 2015*, Defence Ministry of the Republic of Indonesia, <https://www.kemhan.go.id/wp-content/uploads/2016/05/2015-INDONESIA-DEFENCE-WHITE-PAPER-ENGLISH-VERSION.pdf>
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- <sup>6</sup> *2019 Viet Nam National Defence*, Ministry of National Defence, Socialist Republic of Vietnam, [http://news.chinhphu.vn/Uploaded\\_VGP/phamvanthua/20191220/2019VietnamNationalDefence.pdf](http://news.chinhphu.vn/Uploaded_VGP/phamvanthua/20191220/2019VietnamNationalDefence.pdf)
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- <sup>11</sup> *2017 Foreign Policy White Paper*, page 4
- <sup>12</sup> *Defence White Paper 2016*, page 121
- <sup>13</sup> *2019 Viet Nam National Defence*, pages 23-24
- <sup>14</sup> *Foreign Policy Framework of the New Malaysia*, page 19
- <sup>15</sup> *Defence White Paper*, Malaysia, page 39
- <sup>16</sup> *Defence White Paper 2015*, Indonesia, page 34
- <sup>17</sup> “ASEAN Outlook on the Indo-Pacific”, page 1
- <sup>18</sup> *Defence White Paper*, Malaysia, page 70
- <sup>19</sup> “Speech text: Dr Mahathir at 73<sup>rd</sup> UN General Assembly”, *New Straits Times Online*, 29 September 2018, <https://www.nst.com.my/news/nation/2018/09/415941/speech-text-dr-mahathir-73rd-un-general-assembly>
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