

The West is poised for strategic role as hub of the Indo-Pacific age

Rory Medcalf
The Australian
12 November 2012
P. 14

The symbolism is striking. On Wednesday, US Secretary of State Hillary Clinton and Secretary of Defence Leon Panetta will meet their Australian counterparts in Perth, Australia's booming Indian Ocean city.

The West Australian setting is apt not only because it is the home state of Defence Minister Stephen Smith, who will join Foreign Minister Bob Carr in the Australia-US ministerial consultations, or AUSMIN.

It's also because these talks are the perfect chance to adjust the Australia-US alliance for a horizon wider than the Asian Century -- the era of the Indo-Pacific.

Global economic and military weight -- and the potential for competition or co-operation among powerful states -- is shifting to Australia's greater region, a single strategic system spanning the Indian and Pacific oceans.

In one of its smarter observations, the federal government's recent Asian Century white paper recognised the Indian Ocean as surpassing the Atlantic and the Pacific as "the world's busiest and most strategically significant trade corridor". Due to the economic rise of China and other Asian nations, a third of the world's bulk cargo and two-thirds of oil shipments now use its sea lanes.

China's growth is not the only Asian drama that counts. Despite recent setbacks, India's long-term rise will also matter profoundly for Australia, in human, economic and military terms. Myanmar's future is in play. Indonesia is a rising Indo-Pacific power.

And America's strategy of shoring up its security and diplomatic investment in Asia, the so-called pivot, is as much about the Indian Ocean as it is about the Pacific.

In all this, Australia's national qualities, its two-ocean geography and its status as a US ally make it a critical player.

This has deep resonance for Western Australia, which is poised to become a hub for the Indo-Pacific age.

Economically, Western Australia's mineral and energy resources are meeting the needs of China, Japan, India and other Asian nations.

Its Asian time zone opens added potential in the services sector and in building knowledge and societal links, in some senses putting Perth closer to Singapore than to Sydney.

And, strategically, Australia's vast west is no longer dormant or peripheral, if ever it really was.

The US marines may be training in Darwin, but a closer Australia-US alliance could play out more in Western Australia, whether through naval access, intelligence, communications or the sometimes overlooked domain of space.

So the place is right, but the timing of this year's AUSMIN is delicate -- between Barack Obama's re-election and China's leadership transition at the Communist Party's national congress, which concludes this week.

It makes it doubly hard for Washington and Canberra to deny that the pivot and the strengthened alliance are not principally a response to China's growing power, and the ensuing risks of strategic uncertainty and instability in the region.

It will be easy enough for China and the critics of a closer Australia-US alliance to portray this week's Perth talks as simply the next step in an American anti-China strategy caricatured as "containment".

So this time Canberra has to be exceptionally deft in getting the balance of diplomatic signals just right.

There is no need to be shy about shared values, but there is little to gain from gratuitous rhetoric about China's democratic deficit, as Obama proclaimed in the Australian parliament a year ago.

With last week's polls on full display, the US has led by example, and that is what matters.

Nor would there be sense in hinting at big steps that neither side may be able or willing to follow through, such as a US naval base or collaborating on nuclear-powered submarines.

Rather, it will make sense if this AUSMIN is about consolidating steps already in train, such as an increased tempo of ship visits, or collaboration on surveillance and space tracking.

On the diplomatic front, Clinton, Panetta, Smith and Carr have a chance to make their Perth statement a founding vision for shared security in Indo-Pacific Asia.

Australia and the US are well placed as core contributors to such a framework, along with India, the essential Indian Ocean power whose ties with Australia are deepening in the wake of Julia Gillard's recent visit to New Delhi.

Indonesia and Japan also have major stakes and potential to contribute.

But the vision must not exclude China. China's far-flung trade and energy links make it the quintessential Indo-Pacific nation.

The Perth statement could invite China's new leaders to contribute to and respect rules, understandings and institutions for peace throughout maritime Asia. This would help puncture the myth that talk of the Indo-Pacific is code for locking China out.

Rory Medcalf is director of the international security program at the Lowy Institute and a fellow at the Australia-India Institute.