

**AUSTRALIAN FOREIGN POLICY IN  
THE INDO-PACIFIC CENTURY:  
OPPORTUNITIES AND  
CHALLENGES**

Gabriele ABBONDANZA

*EAI Background Brief No. 1654*

## Executive Summary

1. The Indo-Pacific is increasingly gaining traction as the geopolitical and geoeconomic centre of international affairs. Australia is a significant but contested actor in the region. The country's new Labour government led by Prime Minister Anthony Albanese is presented with substantial opportunities but also significant challenges.
2. Opportunities for constructive Australian-Chinese relations are plentiful and range from evident trade benefits to socio-cultural relations and people-to-people links. However, trade disputes, weaponised economic dependence and broader security risks have been increasing since 2017, and complicate a potential rapprochement.
3. Relations between Canberra and Washington are deep-rooted and provide Australia with enhanced technology and protection, common goals and strengthened socio-cultural traditions. Marked challenges include fear of abandonment, risk of entrapment, path dependency, contrasting views over Australia's regional identity and limited openness to new regional partnerships.
4. Australia's security partners of the Anglosphere, "quasi-allies" and minilaterals' members provide, to a lesser extent, similar benefits to those deriving from the United States. However, such partnerships involve only countries that are allied or aligned with the United States, which polarises regional perceptions of Australia.
5. Relations with members of the Association of Southeast Asian Nations (ASEAN) are cordial, and provide significant opportunities for trade, common values and goals, middle power and G20 multilateralism, and untapped potential in many fields. Australia's focus on regional security architectures, ASEAN's eschewal of them and clashing socio-cultural backgrounds represent considerable challenges.
6. Opportunities for Australia in the South Pacific, such as political convergence in forums, extension of Australia's influence through aid and cooperation, and implementation of regional policies, abound. Obstacles include its securitised

regional vision, controversial climate change policies, unsteadiness of its regional engagement and China's exploitation of politically unstable island nations.

7. Australian-European relations benefit from multi-level alignment, substantial complementarity, and potential cooperation with EU and European countries' Indo-Pacific strategies. Nevertheless, Australia's unwavering adherence to the Anglosphere, Europe's recent wariness of Canberra's reliability and internal foreign policy differences between European states preclude greater cooperation.

# AUSTRALIAN FOREIGN POLICY IN THE INDO-PACIFIC CENTURY: OPPORTUNITIES AND CHALLENGES

Gabriele ABBONDANZA \*

## Australia and the Indo-Pacific

- 1.1 The Indo-Pacific is rapidly becoming the world's geopolitical and geoeconomic epicentre. Home to approximately two-thirds of the global population and accounting for two-thirds of the world's gross domestic product (GDP),<sup>1</sup> it is emblematic of both opportunities and challenges resulting from an international power transition of unprecedented proportions. The so-called "rise of the rest", coupled with the relative decline of established powers, marks this macro-region as the focal point of such power transition, with significant volatility due to sudden and increasing levels of unpredictable multipolarity.
- 1.2 Broadly conceptualised centuries ago, the Indo-Pacific is a somewhat disputed idea, much like the majority of international relations (IR) concepts. At its core, it is considered either an opportunity to link dozens of states spanning from the western Indian Ocean to the eastern Pacific Ocean through diplomacy, trade and shared norms, or a security-oriented approach with which to balance against what is perceived as China's burgeoning and assertive growth.<sup>2</sup> After 15 years of developments, the 21st century iteration of the Indo-Pacific has arguably elements of both and therefore appeals to – or is rejected by – numerous states.

---

\* Dr Gabriele Abbondanza is a Sessional Lecturer at the University of Sydney, Australia and an Associate Fellow at the Italian Institute of International Affairs, Italy.

<sup>1</sup> European Union External Action, EU Strategy for Cooperation in the Indo-Pacific. [https://www.eeas.europa.eu/eeas/eu-strategy-cooperation-indo-pacific-0\\_en](https://www.eeas.europa.eu/eeas/eu-strategy-cooperation-indo-pacific-0_en), accessed 15 May 2022.

<sup>2</sup> Ash Rossiter and Brendon J Cannon (eds.), *Conflict and cooperation in the Indo-Pacific: new geopolitical realities*. London: Routledge, 2020.

- 1.3 Australia is a significant (if contested) actor in the region, for several reasons.<sup>3</sup> First, Canberra joined the Indo-Pacific discourse from the very start. While Tokyo is credited with being the first to formulate a proto-strategy with its 2007 “confluence of two seas” and “arc of stability and prosperity”, Canberra was the first to adopt the Indo-Pacific nomenclature in official documents and statements, shortly followed by the United States, Japan and later by many other countries.
- 1.4 Second, Australia made no secret of its understanding of the Indo-Pacific concept as it seeks to align with the United States above all, followed by a normative framework based upon the “rules-based order”, often equated with the international law.
- 1.5 Third, Australia is a middle power with far-from-negligible hard power and soft power capabilities. On hard power, it is the 13th largest economy in the world, approximately on par with economic powerhouses like South Korea or military ones like Russia. In strategic terms, Canberra possesses significant capabilities that are being bolstered on a regular basis. In the past, such capabilities were also employed to join and lead peacekeeping operations, including those in East Timor and the Solomon Islands. As per its soft power, it is a substantial middle power with membership to some of the most important regional and global organisations (the G20 among them), and a crucial component of several minilaterals that are active in the region.<sup>4</sup>
- 1.6 Nevertheless, Australia remains a contested member of the Indo-Pacific. Its socio-cultural background, for instance, marks it as the “odd man out” in this region, a “torn” regional identity that has been the object of discussion for decades.<sup>5</sup> On top of this, Canberra has fuelled this condition by unwaveringly supporting Washington’s strategy in the Indo-Pacific, which further cemented the perception

---

<sup>3</sup> Gabriele Abbondanza, “Whither the Indo-Pacific? Middle power strategies from Australia, South Korea and Indonesia”, *International Affairs* 98, no. 2 (2022): 403-421.

<sup>4</sup> Gabriele Abbondanza, “Australia the ‘good international citizen’? The limits of a traditional middle power”, *Australian Journal of International Affairs* 75, no. 2 (2021): 178-196.

<sup>5</sup> Richard Higgott and Kim R Nossal, “Odd man in, odd man out: Australia’s liminal position in Asia revisited—a reply to Ann Capling”, *The Pacific Review* 21, no. 5 (2008): 623-634.

that it was (and is) acting as the United States’ “deputy sheriff”.<sup>6</sup> Besides, Australia’s regional foreign policy – while openly trying to harness the economic, political, and socio-cultural potential and diversity of Southeast Asia and the South Pacific – has not always succeeded in reaching its goals, at times adopting counterproductive measures. This complex landscape means that the “Indo-Pacific century” presents Australia’s new Labour government, led by Prime Minister Anthony Albanese, with substantial opportunities but also equally significant challenges.

## China

2.1 Supported by a long and complicated history rooted in the 19th century, Australian-Chinese relations have mostly been cordial and mutually profitable in the first part of the 21st century. China’s meteoric rise requires resources that Australia possesses in abundance, a condition that gave start to the “mining boom” which allowed the Chinese economy to grow at unrivalled pace and Australia to benefit from what seemed like an endless source of financial wealth. Canberra’s early embrace of the Indo-Pacific concept, in 2013, spurred a series of debates over its apparent “strategic ambiguity”, torn between its security patron (the United States) and its economic one (China). This phase was also characterised by Australian-Chinese milestones such as the 2014 “comprehensive strategic partnership” and the 2015 free trade agreement. Such a challenging foreign policy stance started to crumble when the implications of its compromises began to be felt in Australian society, in the form of security risks, trade disputes and weaponised economic dependence. As the Australian Department of Foreign Affairs and Trade acknowledges, “the relationship [with China] has come under strain”.<sup>7</sup>

2.2 Opportunities for constructive Australian-Chinese relations are plentiful and range from evident trade benefits to socio-cultural relations and people-to-people links.<sup>8</sup>

---

<sup>6</sup> William Tow, “Deputy sheriff or independent ally? Evolving Australian–American ties in an ambiguous world order”, *The Pacific Review*, 17, no. 2 (2004): 271-290.

<sup>7</sup> Australian Department of Foreign Affairs and Trade, China country brief, <https://www.dfat.gov.au/geo/china/china-country-brief>, accessed 13 May 2022.

<sup>8</sup> James Reilly and Jingdong Yuan (eds.), *Australia and China at 40*. Sydney: UNSW Press, 2012.

While, as of May 2022, a rapprochement between the two may not be possible, in hypothetical terms it is not impossible in the mid-to-long term.

2.3 In the short term, avoiding any further escalation – especially with reference to Taiwan – is a priority for all parties involved. To that end, the existing statecraft mechanisms created during the mining boom are a solid point of departure for ongoing discussions. Should Beijing decide to de-escalate the tensions it has with many Indo-Pacific states, potentially as a result of lessons learnt from Russia’s invasion of Ukraine,<sup>9</sup> Australia would likely be ahead of the United States or Japan in resuming quasi-normal relations with its primary trading partner (two-way trade worth AUD245 billion in 2020).<sup>10</sup> Moreover, the balancing against China is due to perceived threat to the status quo and not to an inherent mistrust of China. If the next generation of the Chinese ruling class were to adjust the country’s growth to the existing international system without challenging its foundations – as it is arguably doing now – the threat perception would gradually diminish, and with it the intense strategic competition the two superpowers are currently engaged in. The “Japan problem” of the 1980s/1990s<sup>11</sup> illustrates how rising tensions – albeit clearly less strong than those with modern-day China – can be successfully de-escalated.

2.4 Nonetheless, significant challenges stand in the way of a genuine rapprochement. A detailed report shows abundant and growing instances of coercive diplomacy from Beijing since 2017.<sup>12</sup> Such cases of coercive diplomacy towards Australia (mostly of economic nature) are almost as numerous as those directed at the United States and Europe, and more numerous than those aimed at other East Asian nations, indicating how quickly relations between Beijing and Canberra have deteriorated, despite the many bilateral milestones in place.

---

<sup>9</sup> John B Gilliam and Ryan C Van Wie, Interim security insights and implications from the first two months of the Russia-Ukraine war, *Brookings*. <https://www.brookings.edu/research/interim-security-insights-and-implications-from-the-first-two-months-of-the-russia-ukraine-war/>, accessed 13 May 2022.

<sup>10</sup> Australian Department of Foreign Affairs and Trade, China, <https://www.dfat.gov.au/sites/default/files/chin-cef.pdf>, accessed 13 May 2022.

<sup>11</sup> Karel G van Wolferen, “The Japan Problem”, *Foreign Affairs*, 65, no. 2 (1986): 288-303.

<sup>12</sup> Fergus Hanson, Emilia Currey and Tracy Beattie, *The Chinese Communist Party’s coercive diplomacy*. Canberra: Australian Strategic Policy Institute, 2020, pp. 4–23.

2.5 While experts have called for a “reset” of the relationship,<sup>13</sup> China’s growing offensive capabilities<sup>14</sup> and more assertive behaviour in the region, including unilateral and unsanctioned actions in the South China Sea and strategic goals of the Belt and Road Initiative (BRI), have frustrated this potential goal. As a result of these developments, the revived Quadrilateral Security Dialogue (the Quad/Quad Plus) and the newly formed Australia-UK-US enhanced trilateral partnership (AUKUS) have further distanced Canberra and Beijing. This happened despite the overall ineffectiveness of Chinese economic coercion towards Australia.<sup>15</sup> Unless and until the threat perception attached to China’s rise is resolved,<sup>16</sup> the safest path for Canberra is to prevent any further deterioration of Australian (and US) relations with Beijing.

### **The United States**

3.1 Since the British “Fall of Singapore” in 1942, Australia has looked at the United States for protection and Washington became its new security patron. Notwithstanding the few unavoidable issues throughout these 80 years, Canberra and Washington have become an exemplary case of both alliance and alignment.<sup>17</sup> Anchored in the 1951 ANZUS security treaty, the bilateral relation became even more strategic with the consolidation of the United States’ “hub-and-spokes system”, or the “San Francisco system”, created in 1951 and strengthened ever since. The intersection of Washington’s network of bilateral alliances with several strategic partnerships – including the Quad and AUKUS – shapes US tentacular presence in the Indo-Pacific region and seeks to gradually interconnect the several

---

<sup>13</sup> Rory Medcalf, “Australia and China: Understanding the reality check”, *Australian Journal of International Affairs*, 73, no. 2 (2019): 109-118.

<sup>14</sup> Nan Li and Ryan Clarke, “The new strategic support force of the Chinese military and implications for regional security”, *EAI Background Brief*, no. 1606.

<sup>15</sup> Jeffrey Wilson, Australia Shows the World What Decoupling From China Looks Like, *Foreign Policy*. <https://foreignpolicy.com/2021/11/09/australia-china-decoupling-trade-sanctions-coronavirus-geopolitics>, accessed 13 May 2022.

<sup>16</sup> Chengxin Pan, “The ‘Indo-Pacific’ and geopolitical anxieties about China’s rise in the Asian regional order”, *Australian Journal of International Affairs*, 68, no. 4 (2014): 453-469.

<sup>17</sup> For a conceptual discussion on the two, see Thomas S Wilkins, “‘Alignment’, not ‘alliance’—the shifting paradigm of international security cooperation: toward a conceptual taxonomy of alignment”, *Review of International Studies*, 38, no. 1 (2012): 53-76.

“spokes” it comprises.<sup>18</sup> Australia’s role within such alliances and partnerships is remarkably significant, and is dictated by Canberra’s traditional sense of strategic insecurity and its need to rely on “great and powerful friends”.

3.2 This condition has hardly changed throughout the decades and US President Biden has recently declared that “the United States has no closer or more reliable ally than Australia”.<sup>19</sup> The benefits of an alliance and a “special relationship” with the United States are evident – enhanced security and protection, technology transfer, more effective pursuit of common goals, “boosted” status, among the many. In turn, these are aided by similar historical, socio-cultural, political and economic (a free trade agreement was signed in 2005) traditions – emphasised as a result of this comprehensive alignment – and complementing the broader objectives Canberra and Washington have in common.<sup>20</sup>

3.3 While the opportunities are clear, Australia has faced and will continue to face two typical risks of alliances in the future. As Snyder famously encapsulated, these are the fear of abandonment and the risk of entrapment.<sup>21</sup> The former refers to the possibility that Washington might not “come to the rescue” in case of a military aggression (there is no NATO-style article 5 in ANZUS); and the latter relates to the risk of being drawn into a conflict because of Washington’s actions (Vietnam, Afghanistan, Iraq, other examples in the past and Taiwan potentially in the future).

3.4 There are additional challenges resulting from such a close relationship, which apply to both present and future relations. First, the susceptibility to Washington’s foreign policy swings, as Australia has almost come to equate its national interest to that of the United States. For instance, during the Trump presidency, bilateral relations with

---

<sup>18</sup> Ryan Clarke, “The evolving nature of the Quad American strategy, ASEAN centrality and Chinese responses”, *EAI Background Brief*, no. 1614.

<sup>19</sup> The White House, Remarks by President Biden and Prime Minister Morrison of Australia Before Bilateral Meeting. <https://www.whitehouse.gov/briefing-room/press-briefings/2021/09/21/remarks-by-president-biden-and-prime-minister-morrison-of-australia-before-bilateral-meeting/>, accessed 13 May 2022.

<sup>20</sup> Peter Dean, Stephan Frühling and Brendan Taylor (eds.), *Australia’s American Alliance: Towards a New Era?*. Melbourne: Melbourne University Press, 2016.

<sup>21</sup> Glenn H Snyder, “The security dilemma in alliance politics”, *World Politics*, 36, no. 4 (1984): 461-495.

virtually all US allies, Australia included, were strained.<sup>22</sup> Second, an excessive reliance on an inflexible foreign policy trajectory might create “path dependency” issues, which can be damaging to the rationality of policy formulation processes. Third, a remarkably tight political, strategic and socio-cultural relationship that could narrow Australia’s foreign policy options, worsen doubts about its membership to the region and preclude closer ties with other members of the Indo-Pacific region. Given Canberra’s ambition to act as a benign leader of South Pacific nations and as a full-fledged Indo-Pacific partner in East and Southeast Asia, this stands out as a substantial impediment.

- 3.5 Significant limitations and problems notwithstanding, Canberra has obviously concluded that the benefits of the alliance with the United States outweigh the risks, as recent developments continue to attest.

### **The Anglosphere, “Quasi-Allies” and Minilaterals**

- 4.1 Since its inception, Australia has been an important component and contributor to the development of security-oriented minilaterals with like-minded states, including support for the Anglosphere, the Five Eyes intelligence partnership, Quad and AUKUS. As Holland notes, the Anglosphere’s underpinnings interlink “nuanced but overlapping identities to shared language, cultural commonalities and intertwined histories, including racialised narratives and an enduring proclivity for expeditionary warfare”.<sup>23</sup> The country’s continuing association with the United States, UK, and to a lesser extent Canada, New Zealand and Ireland speaks for its strategic and socio-cultural needs, while negatively affecting regional views of its membership to the Indo-Pacific region.<sup>24</sup>

- 4.2 Nevertheless, Australia’s enduring sense of strategic insecurity is a powerful driver, and the resulting foreign policy opportunities are essential for an analysis of the

---

<sup>22</sup> Mark Beeson and Alan Bloomfield, “The Trump effect downunder: US allies, Australian strategic culture, and the politics of path dependence”, *Contemporary Security Policy*, 40, no. 3 (2019): 335-361.

<sup>23</sup> Jack Holland, *Selling war and peace: Syria and the Anglosphere*. Cambridge: Cambridge University Press, 2020, 51-83.

<sup>24</sup> Sarah Teo, “Can Australia be one of us?: The view from Asia”, *Australian Foreign Affairs*, 5 (2019): 77-93.

nature of its international relations. The opportunities include benefits in terms of technology and intelligence sharing, security cooperation, and closer political and socio-cultural ties. Some of Australia's closest partners in the region partially ameliorate this predicament while further enhancing Australia's strategic and political opportunities in the region.

4.3 Relations with Japan are remarkably solid and continue to consolidate against the backdrop of China's rise<sup>25</sup> to such an extent that they have been defined "quasi-allies".<sup>26</sup> Australian-Korean ties are also profitable and might experience renewed vigour in the light of the two countries' middle power identity, wariness of Chinese regional assertiveness and the recent election of Yoon Suk-yeol as Korean president. Australian-Indian relations are strengthening for similar reasons<sup>27</sup> – the mutual engagement in the Quad and the recent interim free trade agreement are significant milestones – even though they are still far from reaching their full potential.

4.4 However, many of Canberra's regional partners are US allies (Japan, the Philippines, South Korea and Thailand, plus the UK and France which have recently enhanced their regional presence),<sup>28</sup> which represents a major challenge for the Australian goal of being perceived (and treated) as an autonomous member of the Indo-Pacific, both today and in the future. The tendency to heavily rely on security partners that are aligned with Washington is easily detectable in the way the country approaches the recent trend of minilaterals,<sup>29</sup> which have replaced previous and more inclusive notions of large regional or international organisations.

---

<sup>25</sup> Peng Er Lam and Tai Wei Lim, "The Kishida administration in Japan: "new capitalism" at home, tougher defence posture abroad?", *EAI Background Brief*, no. 1622.

<sup>26</sup> Thomas S Wilkins, "From strategic partnership to strategic alliance? Australia-Japan security ties and the Asia-Pacific", *Asia Policy*, 20 (2015): 81-112.

<sup>27</sup> Purnendra Jain, "India and the quadrilateral security dialogue: from a hesitant to committed partner", *EAI Background Brief*, no. 1610.

<sup>28</sup> Lindsey W. Ford and James Goldgeier, Retooling America's alliances to manage the China challenge, *Brookings*. <https://www.brookings.edu/research/retooling-americas-alliances-to-manage-the-china-challenge/>, accessed 13 May 2022.

<sup>29</sup> Bhubhindar Singh and Sarah Teo (eds.), *Minilateralism in the Indo-Pacific: The Quadrilateral Security Dialogue, Lancang-Mekong Cooperation Mechanism, and ASEAN*. London, Routledge, 2020.

4.5 While such forums can (and do) take many shapes, the Quad (Plus) and AUKUS stand out as clear examples of how Canberra is forsaking attempts at broader regional cooperation with restrictive and security-oriented networks.<sup>30</sup> Although they are undoubtedly effective in pursuing a balancing strategy aimed at China, they are also managing to polarise regional views of Australia. By way of example, some states – Japan and India, chiefly – have welcomed the announcement of AUKUS, but others have expressed anger (China), wariness (ASEAN), resentment (France) and irritation (the EU).<sup>31</sup> Despite the recent celebrations of the 50th anniversary of the Five Power Defence Arrangements (FPDA), relations with several neighbouring countries have not improved over the years as Canberra is at times perceived as condescending and assertive, especially with smaller nations. As these reactions have shown, if Australia is to cooperate more closely with ASEAN and European partners it needs to avoid the establishment of new exclusionary forums, particularly top-secret deals which are announced with undiplomatic timing, and engage more closely with undervalued partners through existing mechanisms.

## ASEAN

5.1 With some “traditional” exceptions, relations between Canberra and its closest neighbours are generally cordial, albeit somewhat undervalued. Southeast Asian states mainly conduct their foreign policies through ASEAN, a regional organisation comprising 10 states with a combined GDP of over US\$3 trillion and a market of approximately 650 million people.<sup>32</sup> While opportunities are aplenty and bilateral relations comprise a series of high-profile agreements and initiatives,<sup>33</sup> there are three significant impediments to closer ties: Australia’s focus on regional security architectures, ASEAN’s eschewal of them and occasionally clashing socio-cultural backgrounds. All three hinder Australian relations with Southeast Asia.

---

<sup>30</sup> David Walton, “The development of the Quad: an Australian perspective”, *EAI Background Brief*, no. 1611.

<sup>31</sup> Gabriele Abbondanza, “The AUKUS Partnership: A Wake-up Call for Europe”, *IAI Commentaries*, 21, no. 53 (2021), 1-5.

<sup>32</sup> ASEAN, *ASEAN Key Figures 2020*. Jakarta: ASEAN Secretariat, 2020.

<sup>33</sup> Australian Department of Foreign Affairs and Trade, Association of Southeast Asian Nations (ASEAN). <https://www.dfat.gov.au/international-relations/regional-architecture/asean>, accessed 13 May 2022.

- 5.2 On the one hand, the benefits of close(r) ties between Australia and ASEAN states are evident. Bilateral trade is strong (US\$70 billion in 2020) and slowly growing – with much scope for improvement – and diplomatic relations are mostly positive, with good potential for further growth.<sup>34</sup> Notwithstanding the dichotomy between Australia’s security-based regional statecraft and Southeast Asia’s wariness of security architectures, there is a substantial similarity of intents. An example is that between ASEAN’s Political-Security Community and the latest Australian Foreign Policy White Paper, which emphasise the same elements: the “rules-based order”, economic prosperity, share fundamental principles and people-centred communities with common identities.<sup>35</sup> ASEAN’s 2019 “Outlook on the Indo-Pacific” also provides a regional vision and specific trajectories that are compatible with Australia’s.<sup>36</sup> History shows that when Canberra’s regional statecraft was steered by shared political and economic interests, the results were positive and inclusive. This is attested by its role in fostering a multi-layered institutional regional architecture, which is representative of successful Australian middle power diplomacy.<sup>37</sup> In short, the potential for increased multi-level cooperation is strong and still untapped, a condition holding much promise for future relations.
- 5.3 On the other hand, significant challenges were epitomised by instances in which Australia did not include perspective member countries in the initial planning for new regional organisations, which resulted in clear policy failures. The prime case in point is the stillborn Asia-Pacific Community, first proposed in 2008. Chief reasons for its failure include the suspicion it would challenge ASEAN’s primacy (a fatal mistake), the perception it was leaning too much towards Canberra’s strategic partners and the problem with the “one-size-fits-all” formula for such a

---

<sup>34</sup> Australian Department of Foreign Affairs and Trade, Association of Southeast Asian Nations (ASEAN). <https://www.dfat.gov.au/international-relations/regional-architecture/asean>, accessed 13 May 2022.

<sup>35</sup> ASEAN, ASEAN Political Security Community. <https://asean.org/our-communities/asean-political-security-community/>, accessed 13 May 2022; Australian Department of Foreign Affairs and Trade, *2017 Foreign Policy White Paper*. Canberra: Australian Government, 2017.

<sup>36</sup> ASEAN, ASEAN Outlook on the Indo-Pacific. <https://asean.org/speechandstatement/asean-outlook-on-the-indo-pacific/>, accessed 13 May 2022.

<sup>37</sup> Australian Department of Foreign Affairs and Trade, Regional Architecture. <https://www.dfat.gov.au/international-relations/regional-architecture>, accessed 13 May 2022.

diverse region.<sup>38</sup> Having learnt the lesson, Australian prime ministers started prioritising smaller and security-oriented minilaterals to address the country's security needs with like-minded states, rather than attempting to achieve broader and more ambitious multilateral goals as in the past. The Quad (revived in 2017) and AUKUS (established 2021) are two crucial illustrations.

5.4 Yet, Australia's unshakeable preoccupation with its strategic (in)security and AUKUS' secrecy and strategic goals are not conducive to greater cooperation between Canberra and its neighbours.<sup>39</sup> Nor is ASEAN's avoidance of any foreign policy trajectory that might antagonise China and jeopardise its delicate strategic position, subsequent non-committal approach to a number of regional issues and circumlocutory *modus operandi* (Acharya argued ASEAN could be "doomed by dialogue"<sup>40</sup>). Socio-cultural distances, trust (or lack thereof) issues and uncomfortable historical legacies further frustrate the outspoken desire to cooperate more, despite the untapped potential of economic, socio-cultural, political and even strategic cooperation.<sup>41</sup> Despite numerous opportunities for closer ties and cooperation, significant hurdles still stand in the way.

## The South Pacific

6.1 Australia's strategic and economic significance, past endeavours and consequent role as a regional power have traditionally placed it as the main power in the South Pacific. Being the country with the largest material capabilities, foreign aid programmes, financial contributions to regional organisations and diplomatic network, it has resulted in the Australian attempt to act as a "big brother" within the

---

<sup>38</sup> Hugh White, "The Asia Pacific Community Concept: Right Task, Wrong Tool?" *East Asia Forum Quarterly*, 1, no. 2 (2009), 21-23.

<sup>39</sup> Susannah Patton, Australia must take Southeast Asian reactions to AUKUS seriously. <https://www.aspistrategist.org.au/australia-must-take-southeast-asian-reactions-to-aukus-seriously/>, accessed 13 May 2022.

<sup>40</sup> Amitav Acharya, "Doomed by dialogue: will ASEAN survive great power rivalry in Asia?" in G Rozman and J Chinyong Liow (eds.), *International relations and Asia's southern tier: ASEAN, Australia, and India*. Basingstoke: Palgrave Macmillan, 2018, 77-91.

<sup>41</sup> Melissa Conley Tyler, Southeast Asia matters to Australia. <https://pursuit.unimelb.edu.au/articles/southeast-asia-matters-to-australia>, accessed 13 May 2022.

so-called “Pacific family” since the 1990s.<sup>42</sup> The importance of the South Pacific can be seen in Australia’s “Pacific Step-up” policy and by the numerous bilateral agreements in place.<sup>43</sup> However, such family of neighbouring states has experienced several swings over the past quarter of a century, partly due to Australia’s sometimes contradictory commitment to the region.

6.2 Comprising 16 sovereign states according to UN nomenclature,<sup>44</sup> the South Pacific has gradually become an area of strategic interest to Australia. The region presents Australia with opportunities and benefits including the potential of having a dozen or more favourable votes at the UN and at other regional fora; the possibility of extending Australia’s influence through developmental, humanitarian, economic and strategic cooperation across considerable areas of the south-eastern Indo-Pacific; the implementation of the country’s controversial irregular migration policies through offshore detention facilities in Papua New Guinea, Nauru, Malaysia (potentially, with one such attempt in 2011 rejected by the Australian High Court), and Cambodia (temporarily); and offsetting other states’ attempts to extend their influence in the region, China above all.

6.3 While the advantages of constructive and mutually benefitting relations between Australia and South Pacific countries – both for current and future regional landscapes – are evident, the former has not always signalled such intentions to the latter. Instances of “paternalistic” approaches to pacific island countries (PICs) are abundant, aided by interventionist and securitised proclivities, with more than one scholar suggesting that such an attitude resembles a neo-colonial regional mentality.<sup>45</sup> While South Pacific experts have shown how a more cooperative and therefore effective regional policy can be achieved and what hurdles are in the way

---

<sup>42</sup> Rosaleen Smyth, Nii-K. Plange, and Neil Burdess, “Big brother? Australia’s image in the south pacific”, *Australian Journal of International Affairs*, 51, no. 1 (1997): 37-52.

<sup>43</sup> Australian Department of Foreign Affairs and Trade, Pacific Step-up. <https://www.dfat.gov.au/geo/pacific>, accessed 13 May 2022.

<sup>44</sup> United Nations, Maritime Space: Maritime Zones and Maritime Delimitation. [https://www.un.org/depts/los/LEGISLATIONANDTREATIES/south\\_pacific.htm](https://www.un.org/depts/los/LEGISLATIONANDTREATIES/south_pacific.htm), accessed 13 May 2022.

<sup>45</sup> Patricia A O’Brien, In the wake of the China-Solomon Islands pact, Australia needs to rethink its Pacific relationships, *The Conversation*. <https://theconversation.com/in-the-wake-of-the-china-solomon-islands-pact-australia-needs-to-rethink-its-pacific-relationships-181702>, accessed 13 May 2022.

of this goal,<sup>46</sup> the deterioration of the Indo-Pacific security landscape makes this process increasingly more difficult.

- 6.4 Moreover, internal foreign policy inconsistencies among like-minded states such as Australia, New Zealand and the United States,<sup>47</sup> the multifarious repercussions of the ongoing COVID-19 pandemic<sup>48</sup> and Australia's unwillingness to engage with climate change mitigation (environmental security risks are a grave concern among PICs) impede closer and deeper ties with island countries and further complicate South Pacific relations. The controversial security deal between the Solomon Islands and China, recently revealed, is emblematic of what can happen when larger powers exploit small, politically unstable island nations. As 2022 has shown, this may take place if the aforementioned issues are left unaddressed in spite of Australia's continuing foreign aid and peacekeeping initiatives.<sup>49</sup>

## Europe

- 7.1 Europe – understood as both the EU and its largest members – is a substantial Australian partner in a variety of critical areas. Bilateral trade places the EU (27 countries, 450 million people and GDP of US\$15 trillion) as Australia's second-largest trading partner thanks to two-way trade worth around US\$55 billion, which is supported in turn by high levels of foreign investments and services and by the ongoing negotiations of a free trade agreement.<sup>50</sup> From a normative, political, diplomatic and strategic perspective there is a clear alignment of values and principles on almost all issues. The attempt to foster closer ties is evidenced by the

---

<sup>46</sup> Joanne Wallis, *Pacific Power?: Australia's strategy in the Pacific Islands*. Melbourne: Melbourne University Publishing, 2017.

<sup>47</sup> Joanne Wallis and Anna Powles, "Burden-sharing: the US, Australia and New Zealand alliances in the Pacific islands", *International Affairs*, 97, no. 4 (2021): 1045-1065.

<sup>48</sup> Joanne Wallis and Henrietta McNeill, "The implications of COVID-19 for security in the Pacific Islands", *The Round Table*, 110, no. 2 (2021): 203-216; Gabriele Abbondanza, "La pandemia da Covid-19 in Australia e Nuova Zelanda: implicazioni nazionali e internazionali", in G Amato and P Vineis (eds.), *Pandemia: Il Mondo Sospeso* (Rome: Treccani, 2022), forthcoming.

<sup>49</sup> Patricia O'Brien, "The China-Solomon Islands Security Deal Changes Everything", *The Diplomat*. <https://thediplomat.com/2022/04/the-china-solomon-islands-security-deal-changes-everything/>, accessed 13 May 2022.

<sup>50</sup> European Union Commission, EU-Australia. [https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/australia/eu-australia-agreement\\_en](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/australia/eu-australia-agreement_en), accessed 13 May 2022.

EU-Australia Framework Agreement, which highlights new forms of cooperation in terms of foreign and security policy, trade, sustainability and climate change.<sup>51</sup>

7.2 The opportunities of potentially high levels of future cooperation extend to bilateral relations between Canberra and some of Europe’s largest members. These not only include the UK and France (both of which have footholds in the Indo-Pacific region, with the UK having a number of high-level agreements and treaties with Australia and France nominally remaining an “enhanced strategic partner”), Germany (an “enhanced strategic partner”), but also Italy (with calls for the establishment of a strategic partnership<sup>52</sup>), Spain and The Netherlands. Most of these countries either have an official Indo-Pacific policy or are implementing policies that may lead to one.<sup>53</sup> The recent EU Indo-Pacific strategy also complements those states’ autonomous policies and represents a further platform for Australian-European cooperation in this macro-region.<sup>54</sup>

7.3 While relations with Europe have undoubtedly improved compared to the lukewarm direction a decade or two ago,<sup>55</sup> several critical issues preclude a stronger cooperation. They chiefly stem from Australia’s sense of strategic insecurity, which has pushed it even closer to the United States and the Anglosphere, with negative impacts on European relations. Recent illustrations of this trajectory can be seen in the “frigate saga” (which resulted in Canberra choosing a British design over more suitable and readily available Italian and Spanish alternatives due to a political-economic agreement with London<sup>56</sup>), and the decision to announce AUKUS’

---

<sup>51</sup> Australian Department of Foreign Affairs and Trade, Framework Agreement between the European Union and Australia. <https://www.dfat.gov.au/geo/europe/european-union/australia-european-union-eu-framework-agreement>, accessed 13 May 2022.

<sup>52</sup> Gabriele Abbondanza, “Italy and Australia: Time for a Strategic Partnership”, *IAI Commentaries*, 20, no. 87 (2020), 1-5.

<sup>53</sup> Frédéric Grare and Manisha Reuter, Moving closer: European views of the Indo-Pacific, *ECFR*. <https://ecfr.eu/special/moving-closer-european-views-of-the-indo-pacific/>, accessed 13 May 2022.

<sup>54</sup> European Union Commission, EU Strategy for Cooperation in the Indo-Pacific. [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_21\\_4709](https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_4709), accessed 13 May 2022.

<sup>55</sup> Margherita Matera and Philomena Murray, “Australia’s relationship with the European Union: From conflict to cooperation”, *Australian Journal of International Affairs*, 72, no. 3 (2018): 179-193.

<sup>56</sup> Li Jie Sheng, Britain Will Build Australia’s Future Frigate, *The Diplomat*. <https://thediplomat.com/2018/07/britain-will-build-australias-future-frigate/>, accessed 13 May 2022.

undisclosed pact (part of the “submarine saga”) just a few hours before the EU had officially scheduled to unveil its Indo-Pacific strategy, which ended up being overshadowed as a result. The consequences of this decision are multifarious and include palpable irritation in Brussels, severe backlash from Paris (the previous provider of the new fleet of submarines, ending with France recalling its ambassador to Australia and removing the “enhanced strategic partnership” label from the country’s official description), delayed progress concerning the EU-Australia free trade agreement and broader doubts over the Australian government’s reliability. The different foreign policy trajectories among European countries, an inevitable condition, may also further complicate cooperative efforts.

7.4 Like relations with ASEAN, Australian-European relations have much potential, mainly due to an alignment of values and goals and a complementarity of means with which to reach them.<sup>57</sup> For the full potential of bilateral ties to be achieved, more autonomy and foresight will be required of Australian foreign and security policy. This condition would not be detrimental – but would arguably be advantageous – to its relationship with the United States and other key partners in the light of the broad alignment of all parties involved.<sup>58</sup>

---

<sup>57</sup> Gabriele Abbondanza, “The AUKUS Partnership: A Wake-up Call for Europe”, *IAI Commentaries*, 21, no. 53 (2021), 1-5.

<sup>58</sup> Gabriele Abbondanza, Preparing for a crowded Indo-Pacific: where to next?, *9DashLine*. <https://www.9dashline.com/article/preparing-for-a-crowded-indo-pacific-where-to-next>, accessed 13 May 2022.

## ANNEX

### AUSTRALIA’S OPPORTUNITIES AND CHALLENGES IN THE INDO-PACIFIC

	<b>Opportunities</b>	<b>Challenges</b>
<b>China</b>	Trade, socio-cultural relations, people-to-people links and existing platforms for cooperation	Trade disputes, weaponised economic dependence and broader security risks across several fields
<b>United States</b>	Enhanced security and protection, technology transfer, more effective pursuit of common goals, “boosted” status and strengthened socio-cultural traditions	Fear of abandonment, risk of entrapment, path dependency, worsened regional identity and limited openness to new regional partnerships
<b>Security partners</b>	Technology and intelligence sharing, security cooperation and closer political and socio-cultural ties with both Asian and non-Asian partners	Partnerships in place only with countries allied or aligned with the United States and polarised regional views of Australia
<b>ASEAN</b>	Trade, common values and goals, middle power diplomacy and multilateralism, and untapped potential in many fields	Australia’s focus on regional security architectures, ASEAN’s eschewal of them and clashing socio-cultural backgrounds
<b>South Pacific</b>	Potential political convergence in regional and global fora, implementation of regional policies, extension of Australia’s power projection through developmental, humanitarian, economic and strategic cooperation	Australia’s securitised and paternalistic proclivities, contradictions among like-minded states, obstruction to climate change mitigation, unsteadiness of Australia’s regional engagement and Chinese exploitation of politically unstable island nations
<b>Europe</b>	Normative, political, diplomatic and strategic alignment, substantial levels of complementarity in numerous fields, and potential cooperation with EU and European countries’ Indo-Pacific strategies	Australia’s unshakeable adherence to the Anglosphere, Europe’s wariness of Canberra’s reliability and internal foreign policy differences between European states

Source: Author’s own work.

#### **EAI values your feedback and inputs ...**

We would appreciate if you can spare a few minutes in giving us your feedback and comments on EAI Background Brief No. **1654** that you have just read.

Please visit <https://forms.office.com/r/gS1fmpL6mR> to access a short survey form. Your inputs would be tremendously helpful to us in improving this series. Once again, thank you for your continuous support.

Best regards,  
East Asian Institute,  
National University of Singapore