AUSTRALIA AND THE CHALLENGES OF REGIONAL ORDER-BUILDING IN THE INDO-PACIFIC AGE

A submission prepared to contribute to the Senate Inquiry into the Indian Ocean region and Australia's foreign, trade and defence policy

Dr Andrew Phillips[1]
Senior Lecturer in International Relations and Strategy
School of Political Science and International Studies
University of Queensland

EXECUTIVE SUMMARY

- India's rise, America's 'pivot' back towards Asia and China's growing maritime interests in the Indian Ocean Region (IOR) herald a shift in Australia's strategic geography from an Asia-Pacific to an Indo-Pacific orientation;
- Australia has a vital interest in promoting a regional order in the IOR that is free of Great Power armed conflict, open to international trade, and equipped with the mechanisms and security practices necessary to combat the region's plethora of unconventional security challenges ranging from terrorism and piracy through to state failure;
- The IOR's regional security architecture is comparatively under-developed relative to East Asia; the absence of either an established alliance system comparable to the US 'hub and spokes' system in East Asia or a robust regional tradition of multilateral security diplomacy distinguishes the IOR from the Asia-Pacific, and significantly complicates Australian efforts to advance its security interests in the IOR;
- The greatest medium term threat to Australian interests in the IOR stems from growing friction between established and emerging Great Powers, with the tensions between the US and China and China and India forming particular potent axes of potential conflict;
- While Australia's direct capacity to ameliorate regional Great Power tensions is limited, Australia should nevertheless work proactively to develop a stable regional order by complementing an enhanced and more Indian Ocean-oriented ANZUS alliance with strengthened bilateral security partnerships with key regional partners, together with mini-lateral security initiatives aimed at promoting regional confidence and capacities to deal with unconventional security challenges;
- Australia's pending membership of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) in 2013-2014 and its pending chairmanship of the Indian Ocean Naval Symposium (IONS) in 2014 jointly offer an outstanding and time-sensitive opportunity for Australia to vigorously promote the development of a more effective regional security architecture;

[1] Please direct all correspondence to Dr Andrew Phillips, c/o School of Political Science and International Studies, University of Queensland, Brisbane, 4072, QLD, Australia.

- As chair of IOR-ARC, Australia should consider advocating an expansion of IOR-ARC's mandate to enable it to provide a regional security dialogue in the IOR comparable to the ASEAN Regional Forum (ARF) in East Asia;
- As chair of the IONS, Australia should promote enhanced regional anti-piracy cooperation and the development of 'incidents at sea' agreements between regional Great Powers to minimize the risks of inadvertent conflicts stemming from the enhanced naval activity the Indian Ocean will play host to in coming decades; with due recognition of Indian sensitivities, Australia should also work to include China - initially as an observer state within the IONS - to ensure that any emerging regional maritime security regime also acknowledges Beijing's increasing interests and involvement in the IOR.

INTRODUCTION

Australia is now witnessing a significant broadening of its strategic geography. For most of our history, successive Australian governments have focused on the Asia-Pacific as the region of most pivotal strategic consequence to us, and have accordingly oriented our defence and diplomatic postures towards helping to build a secure, stable and prosperous Asia-Pacific regional order. In the coming decades, our fate will remain inextricably entwined with those of our North and Southeast Asian neighbours. But India's rise, China's growing assertiveness beyond the East Asian littoral and America's resolve to remain militarily preponderant in both the Indian as well as the Pacific oceans will consolidate an ongoing broadening of our strategic geography - from an Asia-Pacific to an Indo-Pacific focus (Wesley 2011: 87).

This paper will focus on Australia's strategic interests and challenges in the nascent Indo-Pacific age, and will concentrate specifically on the imperatives Australia will confront in promoting its interests in the Indian Ocean Region (IOR). The analysis will proceed in four sections. Section one will examine the forces driving the IOR's growing strategic importance, before identifying Australia's key interests within the region. Section two will briefly survey the IOR's history since 1945; particular emphasis will be accorded to analyzing the ways in which the region's distinct historical legacies complicate established Australian approaches to regional order-building, which in the Asia-Pacific region have entailed a 'dual track' strategy of pursuing bilateral alliances alongside multilateral regional engagement (Tow 2008: 30). Section three will then examine the most potent medium term challenge that Australia will confront in the IOR – - the growing trilateral strategic friction between the United States, China and India. Section four will conclude by articulating the broad principles that should inform Australia's IOR strategy, and will identify some short-medium term policy opportunities for practically advancing this strategy.

1. THE GROWING STRATEGIC IMPORTANCE OF THE INDIAN OCEAN REGION FOR AUSTRALIA

The term 'Indian Ocean Region' (IOR) refers here to the range of countries – collectively encompassing 35 states comprising one third of the world's population – immediately abutting the Indian Ocean, the world's third largest ocean after the Pacific and the Atlantic (Athawale 2010: 99). For centuries, the IOR has been a major crossroads for cross-regional traffic, the

region's vast continuous littoral and the climatic constancy of the monsoonal winds facilitating regular seaborne trade not only between the IOR's constituent sub-regions (East Africa, the Middle East, South and Southeast Asia) but also between more distant regions including Europe and Northeast Asia (Kaplan 2009: 18).

Long acknowledged as 'globalisation's cradle', the IOR has latterly grown considerably in its strategic importance. This has been for two main reasons. Firstly, the IOR has emerged in the post-Cold War period as the epicentre of the West's ongoing struggle against violent transnational jihadist extremism (Kaplan 2009: 17). This struggle has in turn played out against the backdrop of endemic state fragility in many regional polities (Cordner 2011: 74-75). The resulting conjunction of political extremism and local governance failures has resulted in the IOR becoming the principal post-Cold war theatre of engagement for the Australian Defence Force (ADF).

Secondly, India and China's accelerating economic transformation in the last two decades has spurred a profound growth in IOR maritime commerce, the ocean constituting an indispensible 'super-highway' conveying the natural resources of Africa, the Middle East and Australia to the region's voracious rapidly industrializing demographic giants (Green and Shearer 2012: 177). For decades following the end of the Second World War, China and India had pursued autarkic economic models that left them largely disconnected from global markets. Conversely, the ongoing liberalization of both economies (in China from 1978 and in India from 1991) has catalyzed a correspondingly massive growth in their involvement in international trade and in their demand for increasingly scarce overseas commodities to fuel their development (Phillips 2011b: 97-98). The resulting growth of IOR maritime traffic has increased China and India's interest in securing their Sea Lines of Communication (SLOCs) in the Indian Ocean, triggering a commensurate increase in both countries' regional naval ambitions (Cordner 2011: 75).

For Australia, the security of the IOR – and especially the guarantee of freedom of maritime commerce throughout the region - has always been a vital national security interest. Since the advent of European settlement – and notwithstanding the transient dislocations resulting from Japan's bid for regional conquest in the Second World War – Australia has always been able to rely on an Anglophone naval hegemon (first Britain and then later the United States) to uphold its IOR security interests (Mohan 2010: 2). Conversely, as America's relative preponderance inevitably wanes in the coming decades, Australia faces a potentially far more volatile IOR strategic environment. While Anglophone naval supremacy formerly enabled Australia to oscillate from intermittent interest to benign neglect in its engagement with the IOR (Weigold 2011), such diffidence will not be sustainable in the Indo-Pacific age. Instead, future Australian governments will need to clearly identify their IOR strategic interests and seek to further their realization through the formulation and pursuit of a coherent strategy of regional order building, comparable in prioritization if not in actual content to that which has formerly guided our engagement with the Asia-Pacific.

This paper identifies the following core Australian strategic interests in the IOR in descending order of priority:

- The maintenance of a regional order free of Great Power armed conflict, in which states are committed to the non-violent resolution of international disputes and in which adequate mechanisms of non-violent conflict resolution exist to facilitate this goal;

- The maintenance of a regional order which assures the freedom of maritime commerce necessary to sustain the continued global economic growth upon which the region's prosperity and stability depend; and
- The maintenance of a regional order in which effective mechanisms and practices of interstate security cooperation exist to address the plethora of non-traditional challenges – ranging from terrorism and state failure through to piracy and humanitarian disasters – that the region now confronts.

The next section considers the challenges that the IOR's historical legacies present for Australian attempts to foster a regional order consistent with these strategic interests, before examining in greater detail the difficulties that escalating tensions between the United States, China and India pose for such an endeavor.

2. THE DISTINCT HISTORY AND REGIONAL ORDER-BUILDING CHALLENGES OF THE INDIAN OCEAN REGION

In the Asia-Pacific, Australia has consistently pursued a 'dual track' grand strategy for securing regional order (Tow 2008: 30). This dual track strategy has centred around two planks: (a) the maintenance of a robust bilateral alliance relationship with the United States anchored within the broader US-centric 'hub and spokes' alliance system that developed from 1951-1954; and (b) regional engagement – firstly through predominantly Australian-led initiatives (e.g. the Colombo Plan) and from the post-Cold War period through the region's growing suite of multilateral fora (e.g. APEC, the ASEAN Regional Forum, the ASEAN Defence Ministers Meeting Plus, or ADMM+).

As the IOR grows in importance and commands greater attention from Canberra, the temptation will be to attempt to extend Australia's Asia-Pacific grand strategy to the broader Indo-Pacific context. However, while aspects of Australia's approach to regional order building may prove translatable in the IOR, the scope for doing so will be significantly constrained by the region's historical legacies, which depart radically from those that have shaped the Asia-Pacific regional order.

The first and most profound difference distinguishing the IOR from the Asia-Pacific lies in the different magnitude and character of America's engagement with the former since 1945, and the corresponding lack of an elaborate IOR alliance system analogous to America's East Asia-centred 'hub and spokes' arrangement. America has been deeply invested in East Asian security since at least the 1890s, as evidenced in that decade by its annexation of Hawaii and the Philippines and its articulation of an 'open door' policy towards Qing China (Cumings 2009: 136-141). America's hosting of the Washington Conference on naval disarmament in 1922 constituted a more ambitious effort to shape regional order, while America's victory over Japan in 1945 ensconced the United States as the key arbiter of East Asian security thereafter (Phillips 2011a: 234-237) . In particular, America's asymmetric partnership with Japan provided it with a pivotal client state and regional partner – America's unequal alliance with Japan gave Tokyo the security necessary to engage in post-war reconstruction, while Japan's economic resurgence later

catalysed East Asia's development under the protective glacis of the American bilateral alliance system (Katzenstein 2005: 3).

Contrarily, the IOR has historically developed along a very different trajectory, in which the American presence has been both far more recent as well as being less pervasive and less institutionalised (Green and Shearer 2012: 176-177). In both East Asia and in Western Europe – the frontlines of the Cold War - international order was for decades secured through long-term alliance systems centred round US partnerships with key regional powers (Japan and Germany respectively). Conversely, in the IOR, decolonization saw Britain's steady decline as the region's security guarantor in the immediate post-war decades, culminating in its abandonment of its security commitments east of Suez from 1971 (Mohan 2010: 2). Regional enthusiasm for non-alignment and for proposals to establish an Indian Ocean Zone of Peace (IOZP) free of superpower involvement meanwhile retarded the development of an effective collective security system in the IOR (Mohan 2010: 11), notwithstanding desultory American-led efforts (e.g. CENTO and SEATO) to pursue such initiatives at the sub-regional level. Undeniably, America's involvement in the IOR has progressively increased in the four decades since 1971, driven most powerfully by energy security concerns centred round the Persian Gulf (Phillips 2011a: 277). The Cold War and the 'war on terror' similarly stimulated the development of fragile alliances of convenience linking America to a variety of regional partners, most notably Pakistan (Fair 2009: 157; Phillips 2011a: 277-279). But American power within the IOR has nevertheless been blunted by the absence of a local client of comparable strategic weight to either Japan or Germany, and this absence has in turn prevented the emergence of alliance systems comparable to those that have sustained regional orders elsewhere.

The second major difference distinguishing the IOR from the Asia-Pacific in particular has been the region's relative dearth of multilateral regional fora, particularly though not exclusively in the security realm. Prompted partially by fears of American strategic and economic retrenchment in the immediate post-Cold War period, the past two decades in East Asia have witnessed the prodigious growth of regional institutions, as the region's small and middle powers have pro-actively sought to develop mechanisms designed to preserve an open trading system and a broadly cooperative security order (Acharya 1991; Goh 2008). Centred principally around ASEAN-based initiatives, the resulting regional security architecture has by no means definitively resolved the region's ongoing tensions. Nevertheless, this activism contrasts starkly with the far more embryonic moves towards regional cooperation within the IOR, the effectiveness of which has remained profoundly stymied by the region's intense security rivalries - most particularly between nuclear-armed adversaries India and Pakistan – and also by the lack of any coherent vision as to the strategic purposes to which existing regional organizations should be dedicated (Paul 2011: 38).

The upshot of this analysis is that the two factors upon which Australia's order-building strategy in the Asia-Pacific rests – a well-established alliance system and a robust regional tradition of multilateral security diplomacy – have no equivalent counterparts in the IOR. The implications of this cross-regional variation for Australia's practical efforts to advance its interests in the IOR will be explored below. But before I proceed to this analysis, it is first necessary to consider in greater detail the most pressing medium term threat to Australia's interest in IOR regional stability – the escalating friction between America and China and between China and India.

3. US-CHINESE-INDIAN RELATIONS AND THE CHALLENGE OF SECURING ORDER IN THE INDIAN OCEAN REGION

While the IOR will present a range of challenges to Australian security interests in the coming decades, the most significant of these will stem from increasing Great Power competition between America and China and between China and India. All three powers have signaled their determination to vigorously assert their interests in the IOR (Mohan 2010: 4). Moreover, while the regional dynamic between these powers has not yet drifted irretrievably towards one of strategic competition, the IOR's comparatively under-developed regional security architecture presently makes such an outcome more likely than not in the next two decades. A drift towards sustained Great Power antagonism would be doubly disastrous for Australia, not only because of its destabilizing consequences for the region generally, but also because of the painful strategic choices that it would impose on Canberra at a time when Australia's maintenance of positive relationships between all three countries has become increasingly critical for our security and prosperity.

Turning firstly to the United States, Washington increasingly recognizes the IOR's strategic centrality, as witnessed by its 'pivot' back towards Asia from its decade-long detour in the Greater Middle East, its recalibration of its two-ocean naval strategy (from the Atlantic and the Pacific towards the Indian Ocean and the Pacific), and its assiduous efforts to cultivate India as a democratic counterweight to a rising China (Green and Twining 2008: 23-24; Ikins 2011: 20; Paal 2012). As US unipolarity progressively fades, America is steadily recalibrating both its grand strategy and its global force posture to reflect the new realities of the nascent 'Asian century.' Though still in its early stages, this process of adaptation entails a partial drawdown of major US forward deployments in the traditional Cold War era hotspots of Western Europe and Northeast Asia, and a compensating shift towards more pervasive but less conspicuous 'Cooperative Security Locations' (CSLs) distributed among established and new allies in Southeast Asia and Australia (Erickson et al. 2010: 215; Green and Shearer 2012: 184; Manyin et al 2012: 2-5). Seized by regional concerns about China's rise and newly sensitive to the limits of its own power in a post-GFC world, America is complementing this shift in its force posture with a corresponding diplomatic emphasis on the need for greater 'burden sharing' from its allies both in Asia and beyond as the US positions itself for the return to competitive multi-polarity (Frühling and Schreer 2010: 101). As one of America's only allies in the IOR (and certainly its most longstanding one), pressures for Australia to actively and conspicuously support America's shifting security presence in the region will be considerable, potentially placing us at odds with another major power newly engaged in the IOR – China.

Increasingly dependent on energy and resource imports from Africa, the Middle East and Australia to fuel its economic rise, China has recently begun to place greater emphasis on the need to secure its SLOCs to these major resource hubs (Ilkins 2011: 17). This has manifested itself most conspicuously in Beijing's ongoing efforts to modernise the People's Liberation Army Navy (PLAN) to better meet the imperatives of 'far sea defence', as well as in its increased diplomatic activism in the IOR and in its efforts to strengthen the IOR's commercial infrastructure through investment in a growing regional web of ports, pipelines and rail networks (Ilkins 2011: 7-18; Mohan 2010: 7). China's growing involvement in the IOR has corresponded with an increasing sensitivity to perceived moves by the United States and India to contain

China, a sensitivity that will likely intensify should the former seek to systematically exclude Chinese influence from the region (Mohan 2010: 11-12). Simultaneously, however, China's assertive stance in relation to ongoing maritime disputes in the South China Sea has left some South-East Asian states newly receptive to regional efforts to balance Chinese influence (McDougall 2012: 13), further stoking competitive tendencies in the broader Indo-Pacific region.

Lastly, Indian strategists, buoyed by the country's robust economic growth, have begun to develop a more sweeping conception of India's core strategic interests that extends beyond New Delhi's perennial rivalry with Pakistan. New Delhi's rising naval aspirations in the IOR constitute one aspect of this growing ambition, and while a significant gap still divides the rhetoric from the reality of India's relatively modest expansion of its naval capabilities, India's long-term desire to exercise influence in the IOR commensurate with the country's great size and geographic centrality is unequivocal (Ikins 2011: 15). At the same time, India's long-running border dispute with China sustains potent Indian anxieties about Beijing's intentions that the latter's growing involvement in the IOR has merely further exacerbated (Scott 2008: 256). These anxieties have spurred some analysts to advocate the possibility of the United States and its allies embracing a strategy of 'democratic realism', in which the region's democracies would actively nurture India's rise as a means of counter-balancing an economically dynamic but politically authoritarian China (e.g. Twining and Fontaine 2011). While superficially plausible, such prescriptions underplay India's resolve to retain its longstanding commitment to a posture of 'strategic autonomy' (Daulet Singh: 2010: 64), as well as underestimating the potential for such proposals to further entrench a competitive strategic geometry in the region even in their embryonic phase.

4. POLICY CHALLENGES AND OPTIONS FOR AUSTRALIA

The regional tensions between America, China and India sketched above pose potentially profound problems for Australia given our vital interests at stake in the continuing stability of the IOR, and our dependence on positive relations with all three of the region's major powers to achieve our foreign policy objectives. Recalling the hierarchy of Australian interests sketched earlier, Australia seeks a regional order that remains free of Great Power armed conflict, open to the international trade flows necessary to support regional development, and endowed with the mechanisms and practices of security cooperation necessary to combat the region's plethora of non-traditional security challenges. The first of these interests takes analytic priority over the other two. This is not only because of the immense destruction and disruption that even a contained regional Great Power conflict would bring in its train, but also because these second and third interests are entirely dependent on the management and ideally the mitigation of rivalry between the major regional powers.

As a middle power, Australia's capacity to directly influence relations between the region's established and emerging Great Powers is extremely limited at best. Australian efforts to shape the regional order in ways conducive to realizing Australian interests are furthermore powerfully constrained by the region's under-developed regional security architecture, evidenced in the dual absence discussed previously of either established alliance systems or a robust regional tradition of multilateral security diplomacy. These caveats aside, given the magnitude of Australian interests at stake in the region, it is not possible for Australia to simply resile from the task of

pursuing order-building efforts in the IOR. Instead, Australian efforts to secure order in the IOR might best be advanced by means of a complementary suite of initiatives to be pursued simultaneously at the bilateral, mini-lateral and multilateral levels.

Bilaterally, Australia must proceed from the assumption that America will be a more demanding ally in future, and that Washington will expect Australia to bear more of the burden and share more of the risk in our joint efforts to maintain regional stability. Within the IOR in particular, Australia's status as one of America's sole formal allies in the region – combined with its ideal location as a potential base for forward positioning of US military assets – significantly increases our importance as a major 'load-bearing' partner in America's broader regional strategy (Green and Shearer 2012: 184; Holmes and Yoshihara 2012: 21). For this reason, both current and future Australian governments should anticipate greater demands from Washington for access rights to Australian bases and ports, pre-positioning of equipment and enhanced coordination and integration of Australian and American military (especially air and naval) capabilities.

The immense advantages Australia enjoys through ANZUS make it virtually impossible to envisage a future scenario that would call for a fundamental revision (much less an abrogation) of the alliance. Nevertheless, the shift in the region's strategic geography from an Asia-Pacific to an Indo-Pacific focus will significantly enhance the value that America attaches to the ANZUS alliance in ways that will increase the demands it places on Australia. The regional consternation flowing from reported US plans to base drones in the Cocos Islands provides a foretaste of the challenges Australia will likely face in reconciling its expanding alliance commitments with the requirement of regional reassurance (Bachelard 2012). Australia's relationships with China and Indonesia in particular will need to be carefully managed to prevent misperceptions arising from a closer and more regionally obtrusive ANZUS alliance.

To the extent that an enhanced ANZUS is in fact being partially driven by uncertainty and apprehension surrounding China's rise, an inescapable tension will undoubtedly continue to exist between Australian management of its alliance commitments and its efforts at regional engagement (particularly its engagement of China). This can be mitigated within the alliance itself by pro-actively managing American expectations about the realistic scope of Australian willingness and capacity to serve as a regional anchor underpinning the US pivot towards the Indo-Pacific. This caveat notwithstanding, the impending reality of a closer alliance relationship and its attendant complications for Australian regional diplomacy cannot be avoided. Consequently, moves to enhance the alliance should be pursued in conjunction with parallel efforts to cultivate Australian security cooperation with other regional partners. Bilaterally, this might be achieved through strengthening existing security partnerships with regional partners such as Indonesia, India and Japan. At the mini-lateral level, Australia should meanwhile seek to leverage the ongoing challenges posed by non-traditional threats to cultivate a more cooperative security practices throughout the Indo-Pacific.

Non-traditional security challenges, ranging from state failure through to transnational terrorism and piracy, constitute an enduring feature of the IOR security environment, and their persistence and severity explains why the IOR has been the primary theatre for ADF engagements in the post-Cold War period. These challenges have however also formed one of the major focal points for practical security cooperation within the region. Australia's collaboration with India, Japan

and the United States through the Tsunami Core Group (TCG) in coordinating humanitarian assistance and disaster relief in the wake of the 2004 Boxing Day Tsunami constituted a promising early example of the regional mini-lateral security cooperation that such challenges can catalyse (Cha 2011: 37). China and India's halting emergence as global security providers (Medcalf forthcoming), alongside the embryonic trilateral cooperation that has emerged between China, India and Japan in combating piracy off the horn of Africa (Gokhale 2012), meanwhile provides some hope that unconventional threats may nurture *ad hoc* practices of security cooperation even among states with no previous history of collaboration. The imperative flowing from these observations is that Australia should seek wherever possible to participate in and promote these forms of mini-lateral cooperation, both for their immediately beneficial effects in managing unconventional threats, but also for their more diffuse value in building confidence and capacity in a region where cooperative security institutions and practices remain embryonic.

The strengthening of Australia's bilateral and mini-lateral cooperative security efforts in the IOR will be a long-term and incremental process, and its beneficial effects on the IOR security environment will likewise be long-term and gradual in their impact. Conversely, Australia's pending chairmanship of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) and its hosting of the Indian Ocean Naval Symposium in 2014 offer Canberra crucial short-term opportunities to promote the development of a more robust IOR regional security architecture at the multilateral level.

Since its launch in 1997, IOR-ARC has largely dedicated itself to promoting intra-regional trade among its 19 member states, persistent intramural rivalries precluding a broadening of its mandate to include security issues. Given the IOR's increasing strategic importance and its increasing interconnectedness with East Asian geopolitics, the need to establish a regional forum in the IOR comparable to the ASEAN Regional Forum continues to grow. In light of this consideration, one policy option for Australia government would be an effort to broaden IOR-ARC's mandate to explicitly include the provision of a regional security dialogue. Given IOR-ARC's limited success in promoting its initial mandate of economic cooperation, the persistence of intense security rivalries among some of its members (especially India and Pakistan), and the need to change the organization's charter for it to assume a security dialogue function, the likelihood of such an initiative being successful in the short term is admittedly limited (Cordner 2011: 80). This qualifier aside, high level Australian activism on this issue may nevertheless be beneficial in stimulating greater dialogue among IOR-ARC members about the long term imperative of developing a security architecture in the region to match its growing strategic centrality and increasing economic interconnectedness.

Of more immediate tangible benefit to regional security would be an Australian effort to promote greater maritime security cooperation within the IOR via its pending chairmanship of the IONS in 2014. Australia's pending chairmanship of the IONS - alongside its contemporaneous chairmanship of IOR-ARC in 2013-2014 – provides Canberra with a significant opportunity to promote the development of a more cooperative regional security order. Specific policy items Australia should consider promoting during its IONS chairmanship should include enhanced regional cooperation to combat piracy, as well as enhanced efforts to promote the development of 'incidents at sea' (INCSEA) protocols between the region's major powers to reduce the risks of conflicts inadvertently arising between these states as the Indian Ocean plays host to greater

naval activity in the coming years (Medcalf et al. 2011: 24-25). While Indian sensitivities would need to be carefully managed, the option of promoting China's participation in the IONS (perhaps initially as an observer state consistent with China's current status as a dialogue partner in IOR-ARC) should be carefully considered, given China's emerging status as a key naval player in the Indian Ocean and the likely inefficacy of any long-term maritime security regime that excluded China from participation.

CONCLUSION

The IOR is inexorably emerging as one of the world's most strategically important regions, and the maintenance of a stable regional order there is of critical importance for Australian foreign policy. The region's under-developed regional security architecture, combined with increasing Great Power involvement and friction in the Indian Ocean, portends a more volatile and dangerous security environment unless Australia collaborates with like-minded states to cultivate the institutions and practices of security cooperation that the IOR desperately needs. This paper has provided several policy suggestions – at the bilateral, mini-lateral and multilateral levels – that may guide this process of regional order building. Beyond the specific prescriptions outlined above, what is most important is that Australian policy-makers re-conceptualize Australia's strategic geography in a way that explicitly acknowledges the ongoing shift from an Asia-Pacific to an Indo-Pacific orientation, and that grants a correspondingly high priority to the development of a cooperative security order in the IOR. For decades, successive Australian governments have engaged with the IOR selectively and on an intermittent basis. In the nascent Indo-Pacific era, this diffidence and periodic neglect must give way to concerted and sustained efforts at regional order-building if Australia is to advance the vital interests it has at stake in the IOR's peaceful evolution.

REFERENCES

- Acharya, A. (1991). "The Association of Southeast Asian Nations: "Security Community" or" Defence Community"?" Pacific Affairs **64**(2): 159-178.
- Athawale, Y. V. (2010). "The IONS Initiative and its Prospects for Security Cooperation within the IOR." Maritime Affairs: Journal of the National Maritime Foundation of India **6**(1): 98-115.
- Bachelard, M. (2012). "Indonesia Expresses Concern Over U.S. Spy Base Proposal." Sydney Morning Herald March 31 2012. Available at http://www.smh.com.au/world/indonesia-expresses-concern-over-us-spy-base-proposal-20120330-1w4a0.html Accessed April 4 2012.
- Cha, V. D. (2011). "Complex Patchworks: US Alliances as Part of Asia's Regional Architecture." Asia Policy **11**(1): 27-50.
- Cordner, L. (2011). "Progressing Maritime Security Cooperation in the Indian Ocean Region." Naval College War Review **64**(4): 68-88.
- Cumings, B. (2009). Dominion from Sea to Sea: Pacific Ascendancy and American Power. New Haven, Yale University Press.
- Daulet Singh, Z. (2010). "Thinking about an Indian Grand Strategy." Strategic Analysis **35**(1): 52-70.

- Erickson, A. S., L. C. Walter III, et al. (2010). "Diego Garcia and the United States' Emerging Indian Ocean Strategy." Asian Security **6**(3): 214-237.
- Fair, C. C. (2009). "Time for sober realism: renegotiating US relations with Pakistan." The Washington Quarterly **32**(2): 149-172.
- Frühling, S. and B. Schreer (2009). "NATO'S New Strategic Concept and US Commitments in the Asia-Pacific." The RUSI Journal **154**(5): 98-103.
- Gokhale, N. (2012). "India, China and the Pirates." The Diplomat Available at: http://the-diplomat.com/2012/03/06/india-china-and-the-pirates/ Accessed April 4 2012.
- Goh, E. (2008). "Great powers and hierarchical order in Southeast Asia: analyzing regional security strategies." International Security **32**(3): 113-157.
- Green, M. J. and A. Shearer (2012). "Defining US Indian Ocean Strategy." The Washington Quarterly **35**(2): 175-189.
- Green, M. J. and D. Twining (2008). "Democracy and American Grand Strategy in Asia: The Realist Principles Behind an Enduring Idealism." Contemporary Southeast Asia **30**(1): 1-28.
- Holmes, J. R. and T. Yoshihara (2012). "An Ocean Too Far: Offshore Balancing in the Indian Ocean." Asian Security **8**(1): 1-26.
- Ikins, C. G. (2011). "What's Next in the Indian Ocean?" Australian Defence Force Journal (186): 14-24.
- Kaplan, R. D. (2009). "Center Stage for the Twenty-First Century: Power Plays in the Indian Ocean." Foreign Affairs **88**(2): 16-32.
- Katzenstein, P. J. (2005). A world of regions: Asia and Europe in the American imperium. Ithaca: Cornell University Press.
- Manyin, M.E., Daggett, S., et al. (2012). Pivot to the Pacific? The Obama Administration's 'Rebalancing' Towards Asia. Washington, D.C.: Congressional Research Service, Report #R42448. Available at: http://fpc.state.gov/documents/organization/187389.pdf Accessed 4 April 2012.
- McDougall, D. (2012). "Responses to 'Rising China' in the East Asian Region: soft balancing with accommodation." Journal of Contemporary China **21**(73): 1-17.
- Medcalf, R. (forthcoming). "Unselfish giants? Understanding China and India as security providers." Australian Journal of International Affairs. Available at: http://www.tandfonline.com/doi/abs/10.1080/10357718.2011.570244 Accessed April 4 2012 Accessed 4 April 2012.
- Medcalf, R., Heinrichs, R., et al. (2011). Crisis and Confidence: Major Powers and Maritime Security in Indo-Pacific Asia. Sydney: The Lowy Institute for International Policy.
- Mohan, C. R. (2010). "India and the Changing Geopolitics of the Indian Ocean." Maritime Affairs: Journal of the National Maritime Foundation of India **6**(2): 1-12.
- Paal, D. (2012). "The United States and Asia in 2011." Asian Survey **52**(1): 6-14.
- Paul, J. M. (2011). "Emerging Security Architecture in the Indian Ocean Region: Policy Options for India." Maritime Affairs: Journal of the National Maritime Foundation of India **7**(1): 28-47.
- Phillips, A. (2011a). War, Religion and Empire – The Transformation of International Orders. Cambridge: Cambridge University Press.

- Phillips, A. (2011b). "From the age of asymmetry to the great reconvergence: securing order in the Asian century." Australian Journal of International Affairs **65**(1): 94-101.
- Scott, D. (2008). "Sino-Indian Security Predicaments for the Twenty-First Century." Asian Security **4**(3): 244-270.
- Tow, W. T. (2008). "Asia's Competitive "Strategic Geometries": The Australian Perspective." Contemporary Southeast Asia **30**(1): 29-51.
- Twining, D. and R. Fontaine (2011). "The Ties that Bind? U.S.–Indian Values-based Cooperation." The Washington Quarterly **34**(2): 193-205.
- Weigold, A. (2011). "Engagement versus neglect: Australia in the Indian Ocean, 1960–2000." Journal of the Indian Ocean Region **7**(1): 32-51.
- Wesley, M. (2011). There Goes the Neighbourhood: Australia and the Rise of Asia. Sydney: University of New South Wales Press.