ASIA POLICY PAPER SERIES 2015

NEXT GENERATION PERSPECTIVES ON THE FUTURE OF ASIAN SECURITY

Foreword by Aaron Friedberg
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The Young Strategists Forum aims to develop a new generation of strategic thinkers in the United States, Europe, and Asia through a combination of seminars, simulations, and study tours. The project is led by Transatlantic Fellow Joshua Walker and Program Officer Sharon Stirling-Woolsey with Non-Resident Senior Fellow Aaron Friedberg serving as faculty. The first Young Strategists Forum was convened in Japan in 2012 and is held annually with the support of the Sasakawa Peace Foundation. This initiative is part of GMF’s Asia Program, which addresses the implications of Asia’s rise for the West through a combination of convening, writing, strategic grants, study tours, fellowships, and partnerships with other institutions.

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Cover photo: A Sailor with Amphibious Squadron 11 signals an AH-1W Cobra helicopter with Marine Medium Helicopter Squadron 265 (Reinforced), 31st Marine Expeditionary Unit, onto the flight deck of USS Essex (LHD 2), Sept. 28 as part of certification exercises around Okinawa. © United States Marine Corps/wikimedia
# Next Generation Perspectives on the Future of Asian Security

## Asia Policy Paper Series

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Since the end of the Cold War, Asia’s security environment has been shaped by the confluence of two sets of seemingly contradictory trends. On the one hand are a variety of factors generally assumed to be conducive to peace: increasing intra-regional flows of goods, capital, and information; expanding infrastructure networks that will lower transportation costs and increase regional integration; and a thickening web of multilateral institutions that should promote communication and cooperation on a variety of issues. At the same time, however, the pattern of interstate interaction in Asia is also being influenced by processes historically associated with rising levels of competition and conflict. The proliferation of destructive technologies, heightened nationalism, disputes over territory and resources, and rapid shifts in the overall balance of power are contributing to uncertainty, insecurity, and the risk of miscalculation.

How will these forces play out over the next quarter century? Is Asia primed for peace or ripe for rivalry? The answers at this point are not only unknown but, for all practical purposes, unknowable. Much will depend on the interplay of an array of objective, material factors so complex as to defy reliable prediction, but also on the perceptions (and possible misperceptions) of leaders and governments and on the wisdom (or folly) of their decisions.

Despite the rapid, sometimes dizzying pace of change, for the past 25 years, Asia has enjoyed a period of general peace and burgeoning material prosperity. The continuation of these favorable developments, however, is by no means assured and there is some reason to fear that the region’s recent “golden age” may be coming to a close. The next generation of analysts and policymakers thus faces an enormous challenge.

Four years ago, with this fact in mind, and with generous support from the Sasakawa Peace Foundation, The German Marshall Fund of the United States (GMF) launched its Young Strategists Forum. Every year, GMF selects approximately 17 young analysts, academics, and policymakers out of a pool of several hundred highly qualified applicants from Asia, the United States, and Europe. Participants gather in Tokyo for a combination of seminars that review core concepts of strategic thought and international relations theory, meetings with government officials, visits to military facilities, and a unique, day-and-a-half-long simulation exercise in which players guide their countries through more than a decade of crises, diplomacy, and strategic interaction. I am honored to have played a role in leading the seminars that open each session of the Young Strategists Forum and have been consistently impressed by the intelligence and dedication of those taking part.

To mark the four-year anniversary of the program, GMF invited a group of program alums to write papers offering their assessment of Asia’s rapidly evolving strategic environment and of the dangers and opportunities that it may present to their countries. The results, collected here, cover a range of topics but circle around certain recurrent themes: the rise of China, shifting patterns of trade and investment, expanding military capabilities, the changing role of alliances and international institutions, the prospects for peace, and the danger of war. While they differ in emphasis and approach, these papers are uniformly insightful and generally hopeful in tone. The fact that they are written by young people who, in the next several decades, will help to shape the future of Asia is cause for real, albeit cautious, optimism.

Dr. Aaron Friedberg is a professor of politics and international affairs at Princeton University and a non-resident senior fellow for Asia at The German Marshall Fund of the United States.
Despite ongoing conflict in the Middle East, tensions in Eastern Europe, and other global challenges, Asia occupies a place of undisputed and long-standing importance in U.S. grand strategy and will continue to do so.

**U.S. Perspectives on the Future of Asian Security**

Caitlin Talmadge and Zack Cooper

From a U.S. perspective, the current security environment in Asia offers both opportunities and challenges. This chapter describes and analyzes these U.S. views in three steps. It first outlines the major trends in the region. It then focuses on one development, the rise of China, in more depth. Lastly, it outlines possible future roles for the United States in the region, sketching a range of options to shape the future security environment.

**U.S. Views of the Security Environment in Asia**

Most Americans recognize the centrality of Asia to U.S. economic, political, and security interests. The region encompasses nearly half the world’s population, boasts two vast and vital oceans, is home to important U.S. allies and friends, and remains vitally linked to the U.S. economy. Many Americans also prize the stable relationships the United States has fostered in the region. Beyond long-standing alliances with Japan, South Korea, Australia, the Philippines, and Thailand, the United States has robust ties to India, Indonesia, Malaysia, Taiwan, and even Vietnam, a country that many Americans saw as an enemy only a generation ago. Despite ongoing conflict in the Middle East, tensions in Eastern Europe, and other global challenges, Asia occupies a place of undisputed and long-standing importance in U.S. grand strategy and will continue to do so.¹

Furthermore, Americans see opportunity when they look at Asia. The last several decades have seen unparalleled growth, creating new markets for U.S. goods and services as well as new opportunities for U.S. investment. The region’s development has been good not only for the millions of Asians who have risen out of poverty but also for the United States’ own prosperity. Construction of regional institutions, particularly the Association of Southeast Asian Nations (ASEAN), has reinforced Asian security and prosperity. The region has also become more liberal politically, albeit not to the degree that some might like to see. Overall, these trends lend credence to those who see the spread of liberal values and the deepening of economic interdependence as a bulwark against potential conflict.

The region is not without its challenges, however. Shared values may have spread, but major countries in the region remain illiberal and undemocratic. Rapid economic development has helped many, but income inequality has grown along with greenhouse gas emissions. India and Pakistan remain locked in conflict, now under a nuclear shadow. North Korea continues to develop nuclear weapons and the ballistic missiles to deliver them. And above all, the rise of China is fundamentally changing the regional security environment.

**U.S. Views of China’s Rise**

China’s large population, immense territorial depth, strategic geographic location, rich cultural history, rapid economic growth, and robust military spending all suggest that the country is destined to be a great power. Many observers view China’s rise positively. For example, U.S. consumers benefit from the low-cost products that come out of Chinese factories. By the same token, China benefits from U.S. protection of global shipping lanes, because much of the oil exported from the Persian Gulf ends up in China. In short, optimists would argue that the pursuit of economic prosperity and geopolitical security are

not zero-sum endeavors and that China’s rise is not synonymous with the United States’ decline.²

Furthermore, many factors dampen the risk of conflict. The United States and China are separated by an enormous body of water. They also are not engaged in a global ideological competition of the type that characterized the Cold War.³ Indeed, some predict that China will eventually grow more liberal, leading to more convergence with U.S. values and interests. Even if broad political transformation does not occur, the Chinese government’s reliance on economic growth and development as sources of political legitimacy could restrain it from reckless foreign policy behavior, and perhaps even limit the national resources available to the military.

Still, there are reasons for concern. Pessimists note that history is littered with wars between rising and declining powers, ranging from the epic ancient battles between Athens and Sparta to the two world wars. Rising powers naturally want to adjust their place in the international order, often at the expense of an existing hegemon; and hegemons naturally want to maintain their leadership and the advantages such positions provide. A violent collision is often the result, and many fear that the United States and China will not avoid this trap.⁴

Instabilities in the U.S.-China Relationship

Several features of the U.S.-China relationship may make the two countries particularly war-prone. First, many believe that Beijing’s intentions are growing more aggressive as China’s power grows, manifested by increasingly assertive Chinese maritime behavior and stronger objections to the U.S. role in Asia.⁵ Although China is officially focused on “peaceful development,” it has pursued a coercive strategy toward its weaker neighbors in recent years.⁶ Growing Chinese nationalism, particularly regarding Japan, makes many observers worry that this trend is likely to intensify.

Second, U.S. alliances may make it difficult to accommodate China’s rise. Beijing’s eastern neighbors — such as Japan, South Korea, and the Philippines — have close ties to the United States. Although the United States itself may have few direct conflicts with China, U.S. friends and allies have differing interests. It is not hard to envision a scenario in which China becomes embroiled in conflict with Taiwan, Japan, or the Philippines that necessitates U.S. involvement.

Third, the United States and China may tend to misread each other’s intentions.⁷ U.S. defense planners focus intently on the growth of Chinese defense spending, even though the absolute level of China’s military spending still trails the United States by a large margin. By emphasizing the power China will acquire if these trends continue (and paying less attention to the accumulated military advantages of the United States), U.S. leaders tend to see China’s military growth as offensive, even


³ For more on China’s international agenda, see David Shambaugh, China Goes Global: The Partial Power (Oxford: Oxford University Press, 2013).

⁴ See, for example, Aaron L. Friedberg, A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia (New York: WW Norton & Company, 2011).


when, from a Chinese perspective, its capabilities might be intended for defensive purposes. Chinese analysts tend to adopt a mirror-image view of the United States. Instead of seeing U.S. presence in the region as fostering stability and prosperity, or acknowledging the benefits it provides China, they tend to see it as an effort at containment. Despite the reality that U.S. military capability protects allies, sea lanes, and markets, some in China see U.S. efforts as attempting to coerce and emasculate China.

Fourth, despite the lack of a Cold War-style ideological competition, there remains a significant ideological gap between leadership in the United States and China that reinforces mutual suspicions. U.S. support for free and open elections directly conflicts with the Communist Party’s objective of maintaining one-party rule. Although U.S. leaders frequently make clear that the United States does not desire to see a change in China’s government in the near term, Communist Party leaders are right to be concerned that long-term U.S. strategy could call into question the party’s continued rule.

These perceptions are all classic ingredients for what political scientists would call a “security dilemma,” in which two countries each take defensive actions that appear offensive to the other side, inducing a spiral that leads to an otherwise avoidable conflict. The spiral is worsened by each state’s lack of empathy regarding the other’s legitimate security concerns. Many fear that even if U.S.-China conflict is not inevitable, it may be more likely because of these dynamics.

Implications for the Future U.S. Role in Asian Security

Although some advocate accommodation of China by the United States while others suggest containment, prudent policymakers in Washington have consistently followed a mixed approach. In fact, U.S. strategy in Asia is one of the few areas of long-standing bipartisan agreement in the United States. Leaders in both parties agree that Asia is vital to U.S. interests. Most experts on Asia continue to prioritize the strength of the United States’ alliances in the region, seek to expand U.S. partnerships, hope to enhance existing economic relationships, and look to advance shared values, all while building a constructive relationship with China.

These are wise objectives, and they are likely to continue regardless of who is elected president in 2016. Nevertheless, U.S. leaders must demonstrate that they have the ability to follow through on such a strategy. Crises in Europe, the Middle East, and elsewhere threaten to distract U.S. leaders from their long-term foreign policy priorities. The major critique of the Obama administration’s policy in Asia is that despite substantial time spent in the region, it has not been able to deliver on its promises.

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In addition, the United States will have to carefully balance its outreach to China and its relationships with its allies and partners. The Obama administration’s efforts to “operationalize a new model of great power relations” have caused serious concern in allied capitals that U.S. leaders might be preparing to abandon long-standing allies in favor of China. Simultaneously, leaders in Washington will have to avoid needlessly antagonizing their counterparts in Beijing by inadvertently encouraging overly forceful actions on the part of U.S. allies and partners. This delicate balancing act will often occur privately, but public actions are also necessary to demonstrate to domestic audiences and other observers that the United States is appropriately engaged.

This combination of policies has been called dual reassurance — reassurance of U.S. allies and partners that the United States will stay engaged in the region and will come to their defense if required; and reassurance of China that if it adheres to international rules, the United States will welcome it as a partner in shaping the international order. Such policies are difficult to pursue, but critical if the United States is to retain its leadership role and maintain security and prosperity in Asia.

Questions for U.S. Policymakers

The preceding discussion highlights the importance of striking the right balance between engaging China and strengthening U.S. responses to deter Chinese coercion and reassure regional allies and partners. Getting this balance right will require that policymakers address a number of difficult questions in the years ahead:

- Do Chinese objectives fundamentally conflict with those of the United States, or can U.S. leaders accommodate some Chinese proposals to alter the existing order, thereby bringing China into the system rather than competing with it?
- Should the United States become more directly involved in efforts to respond to low-level coercive campaigns directed against U.S. allies and partners in the East and South China Seas? If so, how?
- Does the continuing expansion of China’s “anti-access/area denial” capabilities threaten to weaken the ability of the United States to deter aggression or defend its Asian allies from coercion or attack?
- Do U.S. operational concepts, such as Air-Sea Battle and the “Joint Concept for Access and Maneuver in the Global Commons,” sufficiently address low-level coercive behavior by China or are other concepts needed to deter such behavior?
- Do existing operational concepts risk rapid escalation by forcing the United States and China to target each other’s command and control systems early in a conflict? Are there potential alternatives?

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Japan’s strategic environment is undergoing rapid change. In addition to changes in the external environment, the situation inside Japan has also been evolving. This chapter explores Japan’s strategic future, looking ahead ten years, by applying SWOT (strengths, weaknesses, opportunities, and threats) analysis. This analysis, often used for business planning and not as frequently in strategic studies, intends to clarify Japan’s situation and allow for strategic planning.

Evaluating Japan’s Strategic Environment

Outside of Japan

Japan’s security environment is unfavorable. It has territorial disputes with some neighboring countries. Additionally, China is accelerating the modernization of its military capability through huge defense expenditures, and intends to expand to the Pacific arena through the East China Sea. Russia is revitalizing its military activities in the Far East, and has tried to enhance security cooperation with Japan by launching “2+2” meetings and conducting joint military exercises. North Korea, under a highly unstable regime, is likely working on the capability to miniaturize its nuclear payload.

On the economic front, China has maintained high levels of economic growth, although there has been a slowdown since 2012. Notably, China has been accelerating its food imports, even though its food production has been increasing. South Korea has been tying itself more and more to the global economy through ambitious free trade agreements (FTAs) and its companies’ expansion abroad. Given that Europe’s economy has been sluggish and the conflict over Ukraine with the West, Russia has tried to strengthen ties with Asia, especially under the second administration of Vladimir Putin. It plans to export its gas by both pipeline and liquefied natural gas (LNG) tankers from Siberia and the Russian Far East.

The United States has pursued a policy of rebalance to the Asia-Pacific region in spite of budgetary cutbacks. The 2014 Quadrennial Defense Review says that, “If deterrence fails at any given time, U.S. forces will be capable of defeating a regional adversary in a large-scale multi-phased campaign.” The continued commitment of the United States to Asia is critical to deterrence in the region. U.S. engagement in the Asia-Pacific enables Japan to conserve its defense resources and to conduct useful military-to-military communication, exchanges, and joint exercises with the United States. Economically, the United States has been growing since the Great Recession ended in June 2009. In the fourth quarter of 2013, the United States grew at an annual rate of 2.6 percent. 2013 was also a banner year for the ongoing shale gas revolution, which enabled the United States to approve LNG exports to Japan for the first ever.

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16 The nominal size of China’s announced national defense budget has grown approximately 40-fold over the past 26 years and almost quadrupled in size over the past ten years (Defense of Japan 2014, p. 35). In recent years, China has been believed to be building up capabilities to conduct operations in more distant waters and airspace. China has been rapidly expanding its maritime activities based on sea power and air power, both qualitatively and quantitatively (Defense of Japan 2014, p. 40).

17 The current presence of the Russian military forces in the Far East is comparatively much smaller than it was at its peak in Soviet times. However, a considerable scale of military forces, including nuclear forces, still remains in the region. Russian military operations in the vicinity of Japan appear to be increasingly active (Defense of Japan 2014, p. 57).

18 It is difficult to entirely eliminate the possibility that North Korea has achieved the miniaturization of nuclear weapons and acquired nuclear warheads (Defense of Japan 2014, p. 19).


Finally, Japan is also concerned with the Arctic and other “global commons.” Energy development in the Arctic and the Northern Sea Route interest Japan in their own right, but also because China and Russia are interested in these issues. Japan also regards new domains, such as space and cyberspace, as spheres of potential military competition that are national security challenges.

**Inside of Japan**

Japan’s most prominent internal issue is arguably its negative population trend, which is the result of a declining birth rate.\(^{23}\)

Japan’s demographic issue also contributes to a serious debt issue; although the Japanese economy has been improving since 2012 due to Abenomics.\(^{24}\) Japanese companies do not intend to decrease their foreign investment despite the depreciation of the yen.\(^{25}\) The destinations of Japanese foreign direct investment (FDI) have been a bit diversified. In the past FDI focused on China, but today the Association of Southeast Asian Nations (ASEAN) countries have emerged as a favorite destination.

Japanese industry is characterized by a high level of technology. For example, in terms of energy development technology, Japanese companies’ technology for steel pipes, carbon fiber, nitrogen and oxygen, drilling machines, tubes for oil wells, water treatment, and environment engineering are cutting-edge worldwide.\(^{26}\) Japan’s agricultural technology is also globally competitive. Although Japan’s self-sufficiency rate for food is trending downward and yields in Japan are lower than in other countries, Japan’s technology in food safety, low pesticide production, and organic agriculture is world leading.\(^{27}\) Japan also possesses advanced technology for growing plants without soil in closed factories, an important capability in a world facing food insecurity.

However, the Japanese private sector needs to be more integrated into the global economy. This is because domestic demand, in large part due to a declining population, will not allow for growth opportunities for Japanese companies.

In addition to tangible technologies, Japan also has strengths in “soft” technology: sophisticated experience in effective employee training and factory operations. Examples include “3S,” “5S,” and “Kaizen,” which are known as best practices for developing workforces; some countries have already adopted these measures.\(^{28}\)

Japan is heavily reliant on energy imports. Japan’s energy self-sufficiency rate has been lower than 5 percent for more than ten years. Even including nuclear energy, it is below 20 percent. Recently launched renewable energy developments will have

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22 Energy Whitepaper 2014. China has been accelerating its research acts in the Arctic Ocean with frequent dispatch of research ships (Defense of Japan 2014).

23 White Paper on Aging Society 2012. Japan will see population decrease, by 5 percent from 2015 to 2025, including the decline of “production output population” for ages 15 to 65 by 8 percent. http://www8.cao.go.jp/kourei/whitepaper/w-2012/zenbun/s1_1_1_02.html.


26 Steel pipe that can survive under pressure, 3,000 meter deep where shale gas exists, is an advantage for Japanese steel manufacturers. Japan has a 70 percent world share in carbon fibers.

27 Japan imports approximately 90 percent of its wheat and soybeans and 100 percent of its corn.

28 “3S” stands for “Seiri, Seiton, and Seisou,” which means “be neat, organized, and clean.” 5S adds to 3S “Seiketsu” and “Shitsuke,” and means “keep 3S always, and make it a habit.” 5S leads to greater efficiency in operations, prevents human errors and bugs, and raises office safety. “Kaizen” is when factory workers themselves, independent of supervisors, update factory facilities, create tools, improve efficiency, ensure safety, and prevent errors. Successful examples of these systems in joint ventures are the Saudi-Japanese Automobile High Institute and Saudi Electronics & Home Appliances Institute.
only a limited impact on improving Japan’s self-sufficiency.

Japan recently began enhancing its Self Defense Force’s (SDF) ability to work seamlessly in crisis situations. There are three capabilities in particular that are a priority: quick transitions of responsibilities from law enforcement organizations to the SDF, quick transitions of response from gray zone to armed attack situations, and effective cooperation with private companies in areas such as information sharing. The 2013 National Defense Program Guidelines improve the SDF’s ability to respond in joint operations and a July 2014 cabinet decision indicates a direction to enable the government to react more ably in “gray zone situations.” Overall, the government’s steps have improved Japan’s ability to exercise self-defense, work alongside its allies, and support international peacekeeping operations.29 In addition, several government decisions in the first half of 2014 indicate that the government appreciates that developing a strong defense industrial base is strategically important.30 Finally, with cyberspace emerging as a critical, non-traditional domain with security implications, the government is promoting cooperation with private entities, especially critical infrastructure companies, to strengthen defense.

Given that current trends will be moderately accelerated, Japan’s strength, weakness, opportunity, and threat can be analyzed as in Figure 1.

### Possible Japanese Strategies

Having laid out Japan’s strategic environment, this section analyzes possible strategies for Japan. Japan’s future strategies fall into four categories: win opportunity by using strength, change threat to opportunity by using strength, overcome weakness by using opportunity, and mitigate risk caused by weakness and threat.

#### Win Opportunity by Using Strength

Japan should work to ensure the continued support of the United States in providing security in northeast Asia. It should encourage military and non-military U.S. involvement in the region as well as enhance the capabilities of the SDF and improve Japan’s overall economic situation in order to make Japan a more attractive partner.

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Japan should use its technical capabilities in energy development, especially in gas drilling, to contribute to the development of shale gas in the United States. This could lay the foundation for a sustainable supply of gas imports in the mid to long term. Likewise, Japan could also make energy investments in Russia.

**Change Threat to Opportunity by Using Strength**

To deter unacceptable Chinese behaviors and encourage China to follow international codes of conduct, especially in the East China Sea and Pacific Ocean, Japan should develop a seamless, whole-of-government response capability and conduct maritime surveillance that includes seeking to curtail fish and coral poaching in Japan’s exclusive economic zone.

Economically, Japan should proactively invest in emerging countries in order to develop its economic presence and accordingly compete for market share from China and Republic of Korea companies. This measure also works as a safety net in case China’s economic bubble busts, as the Japanese economy has depended heavily on China’s growth.

Japan should lead an international dialogue on the use of space and cyberspace that includes the United States, China, and Russia. Since forming an official international organization would take some time, conferences could be an initial step. The first step would be to organize bilateral talks, to be followed by multi-lateral talks chaired by Japan.

**Overcome Weakness by Using Opportunity**

As budget problems and population decline will continue, it will be difficult for Japan to respond to security issues on its own; there is limited capacity for concentrated investment in defense. Accordingly, Japan will have to rely on extended deterrence provided by the United States. Enhancing economic cooperation with the United States may help to ensure that that country remains an essential component of Japan’s security in the long term.

Furthermore, energy security is a strategic priority for Japan. Depending too heavily on the Middle East and Africa for energy supplies is risky. To mitigate this risk, Japan should consider diversifying its energy supply by increasing imports from the United States and Russia.
In general, optimizing strengths is more effective than compensating for weaknesses.

**Mitigate Risk Caused by Weakness and Threat**

Because Japan will be unable to invest very heavily in its defense capability, it must spend its defense budget as effectively as possible. Even as its budget and personnel shrink, the focus must be on developing a highly effective, dynamic defense force.

Japan’s dependence on food imports necessitates signing multi-year contracts or making sustained agribusiness investments in overseas suppliers. China’s demand for food makes it a natural competitor in this arena, which should incentivize Japan to act hastily. Investing across a range of fields in emerging countries will generally make Japanese companies more competitive as well.

Finally, in order to improve energy supply security, Japan should take the initiative to organize an international discussion forum (including European countries, Russia, and China) on the Arctic Ocean that seeks to secure the Northern Sea Route, before China becomes more active unilaterally on that route. Japan should build a strategic relationship with Russia as well for the development of harbor facilities in Arctic areas.

**Conclusion**

In general, optimizing strengths is more effective than compensating for weaknesses. A top strategic priority for Japan should be accelerating FDI to emerging countries by technologies, as a safety net for China’s economic decline. The government should encourage diversification of production and sales office locations overseas, possibly through subsidies or government invest itself.

The next priority is to create a win-win relationship between Japan and Russia, which is supported by accelerated investment in Russia. This would contribute to the diversification of Japan’s energy procurement and assist in stabilizing its energy security. Japanese investment in Russia should not be limited to energy development. Japan should provide manufacturing technologies to Russian companies to design and produce new products, as well as factory management and employee education know-how, through joint ventures. For instance, supporting Russia’s port development would maximize Japan’s value in Russia by providing Japan’s accumulated experience both from government and business sectors. This strategy would complement Russia’s intentions to diversify its own industry.

Encouraging Japanese agricultural and food-related companies to expand their business in Russia is another key. Integrated management connecting agricultural farms and food companies is a current trend in Japan where strong agricultural entities are emerging. As their next step, business in Russia should be prioritized. By positively contributing to the improvement of Russian agriculture, Japanese companies’ activities would strengthen Japan’s relationship with Russia.

A final strategy should be reinforcing the involvement of the United States in Asia and seeking to use the contribution of drilling technology to the United States to encourage gas imports to Japan. Contributing positively to both the U.S. economy and the military operations that country leads worldwide are important to securing its commitment.

Japan’s overall strategy should be to diversify risks with practical use of neighbors’ assets, capitalize on its own strengths, and avoid needless escalation.

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The potential economic and military rise of India has significant implications for Asia’s security landscape. Its strategic location is both a blessing and a curse. On one hand, it is naturally positioned as the Indian Ocean’s predominant naval power, with sea access radiating west toward Africa and the Gulf, and east toward the rest of the Asia-Pacific. On the other hand, its land borders are unsettled and volatile, particularly with Pakistan and China, both of whom India has fought wars with in the past. How will India’s economic and military rise over the next several decades, coupled with the simultaneous rise of China, affect the naval, land, and geopolitical balances in Asia? This chapter explores India’s geopolitical challenges and opportunities going forward, the debates in India about how to respond to that security and threat profile, specific views on managing the rise of China, and the role India can play in Asia’s security architecture in the coming years.

What does India see as its primary security challenges and opportunities in the next decade? First, as a largely regionally focused rising power, most security challenges for India are unsurprisingly local. As much as India hopes to escape from security competition with Pakistan, this will likely be the primary focus for India’s security managers, particularly if cross-border terrorism continues to spill over or emanate from Pakistan. The nuclearization of the subcontinent, and Pakistan’s development of battlefield nuclear systems, has paralyzed India’s ability to rely on significant punishment of Pakistan using conventional forces, generating a serious response dilemma for India’s leadership. Escaping from this problem has been the focus of Indian security efforts for the past decade, and will likely persist as India’s military attempts to develop credible retaliatory options below Pakistan’s nuclear threshold. Given China’s long-standing and unwavering support for Pakistan’s military establishment, local threats will likely keep India tied down for the foreseeable future, which could severely hamper its prospects for projecting power globally.

For a variety of status reasons, however, India’s political and military leadership recoil at being publicly mentioned in the same sentence as Pakistan, and they therefore seek so-called “dehyphenation” from their western neighbor. Instead, they move the conversation to China, which they view as a legitimate peer competitor that confers rising power status on India. While the Line of Actual Control (LaC) is still unsettled between India and China, the prospect of a major land war between the two nations over the demarcation line is remote. Certainly there are periodic incursions by both sides into disputed posts, but as former Indian National Security Advisor Shivshankar Menon said: “four men, a dog, and a tent are no military threat. This is a political problem.” Military modernization on both sides of the border, particularly the development of infrastructure that enables People’s Liberation Army (PLA) airborne units, and improvements in Indian ground and air forces (e.g. Su-30MKI deployments) carry the risk of some escalation, but it is still unlikely that the LaC will be the flashpoint for an India-China war. Instead, naval competition over energy security and sea-lines of communication (SLOCs) security could pose a significant challenge for both the Indian Navy and the PLA Navy (PLAN), especially in the Indian Ocean region as China becomes increasingly reliant on oil from the Persian Gulf. Although
China enjoys a three-fold larger economy than India, Indian naval capabilities match well against the PLAN, at least when it comes to dominating SLOCs in the Indian Ocean vital to China’s trade. In general, the military dimension of the India-China strategic competition will be magnified by the geopolitical competition presented by both being rapidly rising powers that share a border and compete for the same resources and international benefits. Furthermore, in India’s view, China’s support for its “all-weather friend” Pakistan, mostly in providing it with conventional and nuclear capabilities (rather than presenting the threat of a two-front war), intensifies India’s threat landscape. What are some of the opportunities for Indian foreign policy that this threat environment provides? The two obvious structural relationships that may coalesce over these security challenges are Indian-U.S. and Indian-Japanese ties. Although India has been historically tepid in forming “alliances” at the expense of relations with other nations, the persistent Pakistani threat — at a time when the United States is losing patience with Pakistan — and the growing Chinese threat may catalyze a natural structural working partnership with both the United States and Japan, though it may do so separately and at different rates. Already, the Indian Army has picked up the pace of military exercises with the United States. But perhaps more importantly, the Indian Navy has now participated in an annual series of Malabar and TRILATEX exercises with the U.S. and Japanese navies. In naval terms, the best friends are interoperable friends, and the Indian Navy has come a long way in the past decade in being able to operate alongside the U.S. Navy and the Japanese Maritime Self-Defense Force. The hangover of passive non-alignment, reinvented in the post-Cold War era as “strategic autonomy” in India, has given way to more active engagement with a variety of states—not limited to the United States and Japan, but also including Russia, China, Israel, and European nations. Thus far, India has not been forced to choose sides (and for a variety of reasons, India is too dependent on Russia for its frontline military platforms/spares to not have a strong relationship with Moscow), but structural pressures in the Asian balance might naturally push India closer to Japan, and concomitantly to the United States. For Japan and the United States, India provides a vibrant trading partner, and a natural anchor and substantial naval presence in the Indian Ocean region. For India, Japan and the United States can both help it sustain its economic growth, while helping keep the Chinese looking to the west.

Current debate in India focuses on the appropriate approach to these strategic partnerships, and how diversified a portfolio of partners India should have. Prime Minister Narendra Modi has a famously good relationship with Japan’s Prime Minister Shinzo Abe, which points toward a more robust engagement between India and Japan. Modi has also pledged not to hold relations with the United States hostage to previous baggage, including a decade-long visa denial. The question confronting India’s security managers is whether it can continue to maintain the prospect of better relations with China while building tighter ties with Japan and the United States. Specifically, can India sustain greater and more visible cooperation between the navies, while simultaneously growing trade with China and not triggering a security dilemma for Beijing? If anything might slow down the pace of military engagement between India and Japan/United States, it is the belief that higher tempo exercises might undermine what Delhi believes is a carefully calibrated hedging strategy with China. Several force posture decisions flow from this broader geopolitical calculation: how, and to what extent, to expand India’s blue water navy, how to adjust its nuclear posture, and how to modernize its land forces to manage twin border
threats from Pakistan and a modernizing China. These are the decisions now confronting Delhi that will have ramifications for the South Asian and general Indian Ocean region military balance for the next several decades.

Regarding China’s rise, India once again perceives distinct sets of opportunities and challenges. The opportunities lie primarily in the economic domain, while the challenges lie in the security domain. The dynamics of comparative advantage between a Chinese economy that excels at manufacturing and an Indian economy that excels at services are evident to policymakers on both sides. China has been India’s largest trading partner since at least 2011, and during his 2014 visit to New Delhi, President Xi Jinping announced that China would increase its investment in Indian industry and infrastructure development. India also frequently finds common cause with China in international trade negotiations, particularly on issues of market access in Western economies, as well as intellectual property rights.

Despite these common interests, China’s rise presents clear risks and challenges to India. The first and most obvious points of friction are the security externalities of the border dispute and maritime competition. For example, although Xi’s visit in 2014 was hailed as a positive milestone in Sino-Indian relations, less than a week before his visit, an Indian border patrol found Chinese troops constructing a road on the Indian side of the Line of Actual Control. While the Chinese government most likely aims these types of actions at internal audiences rather than external ones, they certainly do nothing to improve the optics of bilateral engagements or to assuage India's concerns over China's creeping encroachments along the border.

On the economic front itself, many analysts in India remain concerned about the deep and growing deficit in India’s trade with China. India imported $48.4 billion worth of goods and services from China in 2013, while exporting only $17 billion. This gap naturally puts pressure on India’s foreign currency reserves, particularly because India is in the habit of running deficits with a number of its trading partners. Nonetheless, aside from a couple of problematic years in the last decade, India’s balance of payments has generally remained positive thanks to large injections of capital investment from abroad. This suggests that as long as India remains somewhat attractive to foreign firms and institutional investors, the trade imbalance with China might be managed from the perspective of currency reserves. However, the broader concerns surrounding cheap Chinese manufactures flooding Indian markets remain alive.

Another challenge for India regarding China’s rise is the growing competition between the two countries for energy resources in Central Asia and markets in Africa. China’s state-owned enterprises are considerably more capital rich than their Indian counterparts, and also enjoy much greater backing from their government. Consequently, Indian firms frequently lose out in the competition for energy resources in Asia and elsewhere. The Kazakh government’s decision in 2013 to block India’s ONGC Videsh from acquiring a stake in the Kashagan oil field and to instead sell that stake to China’s CNPC was a prominent example of this dynamic. A similar competition is also unfolding in Africa, where the Indian government is more closely involved in trying to ensure that China’s attractiveness as an economic partner does not lock Indian firms out of large and growing markets in the region. India’s historical links and soft power diplomacy with African nations have played a positive role in this regard.

Regarding India’s role in Asian security over the next decade, the extent to which India should abandon strategic autonomy for deeper
partnerships with the United States and other countries such as Japan and Australia is an important question. However, although structural pressures may push India closer to the United States, this outcome does not preclude greater Sino-Indian cooperation, which will be vital for managing key regional and bilateral issues. In coming years, India’s primary objective should be to maintain peace and stability in a manner that creates the necessary space for the Indian economy to grow while also developing economic interdependence with Asian nations in ways that might diminish the chances of any major conflict. This requires three sets of policies, broadly speaking. First, India needs to walk a cautious line between engagement with China on the economic front and showing resolve on the security front, particularly along the Sino-Indian border and with regard to the growing Chinese naval presence in the Indian Ocean. While India’s relations with Japan and Australia are currently developing apace and will certainly be an asset in counterbalancing Chinese power, India needs to expand its sphere of influence to include the ASEAN nations and Korea. Although trade is certainly an important aspect of India-ASEAN relations, a broader discussion on security either at the bilateral level with member countries or in the ASEAN Regional Forum would be to India’s benefit.

Second, India needs to work more closely with ASEAN nations and China to promote a rules-based order in East Asia. There are numerous security-focused public goods that require burden-sharing and joint provision in the region, particularly in dealing with threats such as piracy, terrorism, and cyber attacks. Most importantly, a rules-based order is necessary for the peaceful resolution of maritime disputes and for maintaining the freedom of navigation. With regard to the latter, the Indian navy needs to play a larger role as a provider of security in the Indian Ocean Region. Of course, this raises questions of the extent to which one might trigger the security dilemma with China (as mentioned above), but serious investment and planning for future capabilities is nonetheless a priority.

Finally, India needs to focus on the economic integration of its own neighborhood. This is a vital component of India’s external environment that is likely to hobble any great power or even regional power aspirations that Delhi might harbor. The East Asian example for India in this regard is crystal clear — deeper economic integration benefiting all the nations involved has come not just from trade and investment but the establishment of cross-border production networks and the growth of what is called “Factory Asia.”

No such comparable networks of production exist in South Asia, for various security reasons, but this should not preclude India from sponsoring policies such as infrastructure development, tariff and tax rationalization, and greater market access for smaller South Asian nations that might ease the emergence of such regional networks.

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Less than three weeks after he had been sworn in as Indonesia’s seventh president, Joko Widodo embarked on a whirlwind tour of three countries, attending four summits, and introducing himself to the leaders of the region. Indeed, President Joko Widodo (more popularly known as “Jokowi”) was a figure much sought after by the likes of Chinese President Xi Jinping, U.S. President Barack Obama, and Japanese Prime Minister Shinzō Abe, all whom Jokowi met at his first stop in Beijing. Among these three leaders, there was a sense of anticipation as to how Jokowi would respond to their invitations to form partnerships.

Three months later, views on how Jokowi performed at the Asia-Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (ASEAN), East Asia, and G20 Summits are diverse. Some feel justified in their belief that Jokowi is a novice policymaker, while others are surprised at the apparent ease with which the Indonesian leader stood shoulder to shoulder with Xi, Obama, Abe, and other figures. Undoubtedly, differences could be drawn between the foreign policy approaches of Jokowi and those of his predecessor, the more seasoned internationalist, Susilo Bambang Yudhoyono. However, the more pertinent question is whether such differences would lead to major shifts in Indonesia’s foreign policy.

As the largest country in ASEAN, with the fourth largest population in the world, and the only Southeast Asian country in the G20, Indonesia, under the guidance of Yudhoyono, has grown into an influential player, not only in the Asia-Pacific, but also in global affairs. And while Yudhoyono’s successor is popular at home, not much is known about his views, let alone his track record in foreign affairs. Indeed, he did not win Indonesia’s presidency because of his foreign policy platform. Instead, his success was primarily based on a promise to pay more attention to domestic issues. This has led many to question whether Indonesia would continue on its trajectory to become an influential “middle power” in regional and international affairs.

Indonesia’s Foreign Policy During the Yudhoyono Years

After years of soul-searching in the wake of the multi-dimensional turmoil following the 1997 Asian Financial Crisis, Yudhoyono was successful in commandeering Indonesia’s re-emergence as an influential player in the region, and even at the global level. Readapting Indonesia’s foreign policy philosophy of “free and active” diplomacy to current geostrategic conditions, Yudhoyono was a darling of the international community, as he advocated “a million friends, zero enemies” and pushed for a “dynamic equilibrium” in power relations in the region. In 2012, at the Shangri-la Dialogue, Yudhoyono proposed the construction of an “architecture of durable peace in the Asia-Pacific.” He even dared to dream of “a harmony among civilizations” during a well-received speech at Harvard University’s Kennedy School of Government.

In a global order still plagued by uncertainties, Yudhoyono appeared determined to strengthen Indonesia’s capacity to become a key balancer, mediator, and mobilizer, at least in the Asia-Pacific region. And why should it not be? At least in theory, a developing, Asian, and predominantly Muslim country like Indonesia should be better accepted by both the developing and developed

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worlds, the North and the South, the Muslim countries and the rest. As if responding to criticisms from certain corners that Indonesia had been “punching below its weight,” Yudhoyono, ably assisted by his foreign ministers (Hassan Wirajuda and then Marty Natalegawa) worked hard to raise Indonesia’s global profile.

Much of the impetus for this effort derives from the potential leverage provided by the Indonesia’s large population, economic boom, strategic geographical location, and continued democratic and human rights achievements. Moreover, Indonesia is recognized as the natural leader of ASEAN, as the regional organization strives to become the center of the Asia-Pacific’s architecture for cooperation. As part of the G20, Indonesia frequently raised development issues among the world’s top earning countries. And as co-chair of the UN High Level Panel on Post-2015 Development Agenda, Yudhoyono pressed “third world” issues such as sustainable development, poverty, inequality, and the protection of the environment. Moreover, on regional security issues, by seeking a “dynamic equilibrium,” Indonesia under Yudhoyono avoided common tendencies to simply hedge against China’s influence in the region. At the same time, Indonesia was not interested in relying on a U.S.-based regional security guarantee.

These developments over a decade of Yudhoyono’s leadership have raised questions about the shape of Indonesia’s foreign policy after his presidency. These questions frequently center on the assumption that the new president has limited foreign affairs credentials, and that he has risen to the top of Indonesia’s political scene on the basis of his views on domestic issues instead. Regardless, expectations, both at home and abroad, are high.  

Looking for Clues in Jokowi’s Foreign Policy Vision

During his election campaign, Jokowi gave a few insights on his expectations for Indonesia’s foreign policy, including the need for it to play the role of an honest broker in dealing with the South China Sea issue. This view was delivered with the caveat that, as a non-claimant state, Indonesia does not have direct interest in how the territorial disputes are ultimately resolved. On other occasions, Jokowi mentioned his goal of furthering Indonesia’s interests abroad through maximizing its influence in ASEAN. Meanwhile, on multilateral issues, Jokowi highlighted the need to carry out reforms of global financial institutions to better serve the interests of developing countries like Indonesia.

Other than these glimpses of foreign policy activism, however, Jokowi’s election campaign was very much dominated by domestic issues ranging from fuel subsidies to good governance to economic resilience. Hence, there was much anticipation as to how Jokowi would introduce himself, and his foreign policy vision, during the summits in Beijing, Nay Pyi Taw, and Brisbane at the end of 2014. At least, many observers were looking for clues on whether Yudhoyono’s foreign policy activism would be carried over by the new administration in Jakarta. On the back of major domestic difficulties and divisive rivalry among its major political parties, would Indonesia revert to a more introvert stance of the world? Or would it continue to pursue its role as the “middle power” in the Asia-Pacific, willing to stick its neck out

35 Analyses questioning Indonesia’s foreign policy influence include, for example, Dave McRae, “More Talk Than Walk: Indonesia As A Foreign Policy Actor,” Analysis (Lowy Institute for International Policy), February 2014.


Indonesia under Yudhoyono avoided common tendencies to simply hedge against China’s influence in the region. At the same time, Indonesia was not interested in relying on a U.S.-based regional security guarantee.
in order to ensure balance among the major and emerging powers in the region?

On his first opportunity to address the international community during the APEC CEO Summit, Jokowi gave a presentation on Indonesia’s readiness to welcome investors. While recognizing the significance of foreign participation in the country’s economic development, Jokowi emphasized the concrete actions that would be carried out domestically to raise investor confidence. He highlighted some of the problems affecting Indonesia’s business sector, and gave his commitment to addressing these problems in the most efficient and timely way. While the presentation did receive a warm welcome from the audience (who were mostly businesspeople and the media), it did not elaborate on his vision of Indonesia’s maritime prowess.

In Nay Pyi Taw, however, Jokowi outlined Indonesia’s ambition to become a “global maritime nexus.” The pursuit of this goal would be carried out based on the five pillars of: 1) reviving the Indonesian people’s maritime culture; 2) building maritime “food sovereignty” through a strengthened fisheries industry; 3) boosting the maritime economy through strengthening connectivity (infrastructure) and tourism; 4) strengthening maritime diplomacy to overcome traditional and non-traditional conflicts at sea; and 5) bolstering maritime defenses to uphold territorial integrity and safeguard national security. Jokowi also recognized Indonesia’s role as a “fulcrum between two oceans,” a position that demands the country’s activism in addressing regional maritime security and safety of navigation issues.

The events in China and Myanmar led to some commentators highlighting the maritime and economic aspects of Indonesia’s new diplomacy. But while some are intrigued at how other countries could take advantage of Indonesia’s interest in these issues to further their own foreign policy designs, others are already asking more long-term questions. Will Indonesia’s focus on maritime and economic issues be enough to drive a foreign policy that leads to some form of leadership in the region? Or are these issues simply raised with a view to securing Indonesia’s domestic agenda, thus paying little heed to the greater demands for participation in ensuring regional peace and stability?

**The Future of Indonesia’s Foreign Policy?**

While Jokowi demonstrated that Indonesia remains “open for business” during his participation in the summits in Beijing, Nay Pyi Taw, and Brisbane, such assertions were arguably made with the domestic audience in mind. As a figure who won his presidency on the basis of promises to strengthen Indonesia’s economic capacity, it is understandable that his first opportunity to engage the world was used to make good on such promises. Even Jokowi’s call for Indonesia to become a “global maritime nexus” has very strong economic undertones, aimed at further strengthening Indonesia’s resilience in the face of today’s global economic challenges.

The experience of the previous Indonesian president indicates that foreign policy remains beyond the awareness of most Indonesians. Despite Yudhoyono’s achievements abroad, not enough were recognized (let alone, celebrated) at home. At times, they were even criticized, as the public perceived Yudhoyono to be aloof, more willing to spend time with his international counterparts than tackling the difficult issues holding back this evolving democracy. When Indonesians do comment on foreign policy issues, it is often

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with a hint of lament, reflecting the view that foreign policy activism has nothing to do with national economic development. Even on the issue of sovereignty and territorial integrity, many Indonesians have never been entirely sure of the significance of foreign engagement through diplomacy. Therefore, when looking at Jokowi’s foreign policy approaches to date, it is easy to conclude that they have mostly been formulated with a view to appealing to the domestic public.

This impression was strengthened when Indonesia’s new foreign minister, Retno Marsudi, recently informed the Parliament that the four main objectives of the country’s foreign policy are: 1) preserving territorial integrity; 2) protecting Indonesian citizens abroad; 3) economic diplomacy, aimed at strengthening national economic resilience; and 4) active participation in regional and international affairs. While the fourth objective is outlined in the nation’s constitution, the first three are the ones most often demanded of Indonesia’s diplomats. During Yudhoyono’s era, the issues pertaining to these three objectives were constantly raised by Jokowi’s PDI-P Party (the opposition at the time) to question Yudhoyono’s foreign policy activism.

Indeed, these three issues have been regarded as the ones that matter the most to the general Indonesian public. To many, it may be difficult to understand how leadership in ASEAN would directly translate into prosperity for Indonesians. If anything, many fear that opening up to the rest of the region would be to the detriment of most Indonesians, left to compete in the open against other national economies. Thus the ASEAN-China Free Trade Area has been seen by some as paving the way for a flood of Chinese products and the potential decimation of Indonesia’s small and medium enterprises.

If the trend toward defining national objectives in narrow, concrete terms continues, then Indonesia could find itself accused of self-interest instead of playing a larger role in promoting regional peace and security. This would be a clear departure from the years of Yudhoyono, who was often more than willing to try to work out possible solutions to regional conflicts, even when these did not directly affect Indonesia, as was shown during Indonesia’s efforts to bring Thailand and Cambodia to the negotiating table during the border conflict over Preah Vihear in 2008. Would present tendencies also cause Indonesia to retreat from its commitment to maintaining an influential role in managing maritime conflicts by, among other things, pushing for a Regional Code of Conduct in the South China Sea?

Notwithstanding these concerns, it needs to be recognized that as a self-made entrepreneur, Jokowi does have a global perspective. He has engaged foreign partners from around the world throughout his business career. Most people would recognize this when hearing Jokowi’s command of English during the APEC CEO Summit, or the way in which he appeared comfortable among the world’s influential leaders during the trips in China, Myanmar, and Australia. However, thinking like a businessman, it is possible that Jokowi’s keenness in foreign affairs is based on a calculated need for commercial expansion, or in this case, the pragmatic demands of the Indonesian people.

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40 Aaron L. Connelly, “Indonesian Foreign Policy Under President Jokowi,” Analysis (Lowy Institute for International Policy), October 2014.
Indonesia’s Constitution stipulates the importance of participating actively in international security in order to promote international security and peace. Yudhoyono, a former UN peacekeeper, recognized that Indonesia could play a leading role in ASEAN to push for regional peace and stability, based on norms-setting, confidence-building, and preventative diplomacy. This does not mean that Jokowi is otherwise and unlikely to be imaginative in his foreign policy choices. But with the government these days being expected to exercise more “Indonesia first” attitude, it seems that the priorities for such constitutional demands may have to change. For example, citizen services abroad and economic diplomacy would most likely be achieved through more intensive bilateral cooperation instead of regional and multilateral diplomacy.

Conclusion

In a previous YSF Policy Paper, the author argued that Indonesia not only has the capacity but also the activist inclinations of a true “middle power.” The attendance of Foreign Minister Marsudi at the Fourth MIKTA (Mexico, Indonesia, South Korea, Turkey, and Australia) Foreign Ministers’ Meeting on the sidelines of the G20 Summit in Brisbane would seem to demonstrate that this thesis is, in fact, correct. After all, MIKTA, which was conceived in 2012 on the sidelines of the Los Cabos G20 Summit, is labeled an informal and non-exclusive group of “middle powers” that aims to address common challenges posed by the increasingly complex international environment.

As a middle power, Indonesia would be in a position to continue its role in balancing the interests of many powers in the region.

Considering its population, strategic geography, economic growth, and achievements in political reform, democracy, and human rights, Indonesia is indeed an emerging force in international relations. Nevertheless, even if Indonesians wanted to, having a “middle-sized” economy and/or a “middle-sized” military does not immediately translate into their country calling itself as a middle power. To be regarded as such and to make that status actually mean something, Indonesia needs to “act” like a middle power. Then again, one might argue that high expectations for Indonesia’s international activism have mostly come from external sources, including neighboring countries. The reality is that probably Indonesians have never been truly comfortable with such a foreign policy role, particularly when many other issues remain unaddressed at home.

And this seems to be where Indonesia’s foreign policy is at the moment. Carried by the momentum of Yudhoyono’s decade-long internationalism, Indonesia’s diplomacy is at the point of lifting off. Yet there are now questions being raised about Indonesia’s will to make that extra push to the next level. Resorting to a more pragmatic, “Indonesia first” foreign policy may be good enough for the domestic public. If anything, this has all along been the demand of the average Indonesian, who is probably mostly uninterested in the complexities of international affairs. But would this condition be in the interest of the rest of the region?

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For the past 50 years, Australia and New Zealand have benefitted from a stable and prosperous Asia-Pacific region underwritten by U.S. power and security guarantees. The rise of new powers in Asia, China specifically, has the potential to challenge this peaceful order with important implications for countries within the region and beyond. This chapter provides an opportunity to explore Australasian views on the future of Asian security, highlighting the opportunities and challenges posed by the rise of China, and outlining the different roles that Australia and New Zealand can play in promoting regional stability in the future.

**Current Perspectives on the Asian Security Environment**

Positioned far from the Asian continent, Australia and New Zealand have been able to benefit from increased economic integration with the region, and the ASEAN bloc especially, while focusing their security concerns on their immediate surroundings in the South Pacific. The relatively benign threat environment and close relationship with the West has enabled both countries to keep defense spending low, and in New Zealand's case to significantly downsize its armed forces.

For both New Zealand and Australia, however, the secure and predictable Asia-Pacific environment is slowly giving way to one of shifting allegiances and alignments with uncertain consequences for continued regional stability. Unsurprisingly, the rise of China is at the center of both New Zealand's and Australia's concerns about the future stability of the region, and in particular the threat that its rise poses to the balance of power that both have benefited from for so long. These concerns have been exacerbated in recent years by Chinese actions in the South and East China Seas, and the response this has invited from neighboring states, including Japan and its ASEAN partners.

While conflict in North Asia may not pose a direct security threat to Wellington or Canberra, regional stability is key to Australia and New Zealand's continued economic prosperity. New Zealand has benefitted greatly from free trade agreements (FTAs) with many countries in Asia, including Malaysia, Singapore, Thailand, the ASEAN group, and China. Negotiations have recently concluded on an FTA with South Korea, and talks have taken

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44 In 2013, New Zealand spent 1.0 percent of GDP on defense, while Australia spent 1.6 percent. World Bank Development Indicators, "Military Expenditure (%GDP), Accessed November 24, 2014, http://data.worldbank.org/indicator/MS.MIL.XPND. GD.ZS. In 2001, the New Zealand Labour Government removed the Royal New Zealand Air Force (RNZAF) combat capability by cancelling the purchase of 28 Block 15 F-16 Fighting Falcon fighters and disbanding the No 2 and No 75 Skyhawk squadrons and the No 14 Aermacchi squadron.

45 The 2010 New Zealand Defense White Paper acknowledges the future uncertainty and notes that the next 25 years will be more difficult than the previous. “The strategic balance in North Asia is shifting. China both benefits from and contributes to regional stability and prosperity, but there will be a natural tendency for it to define and pursue its interests in a more forthright way on the back of growing wealth and power. The pace of China’s military modernisation and force projection programme, and the response this could prompt from neighbouring states, may test the relationships of the major regional powers.” New Zealand Ministry of Defense, Defense White Paper 2010 (Wellington, New Zealand, 2010), p. 30.

46 As one commentator notes, “the Asia-Pacific region is undergoing one of the greatest buildups of arms in history” and that this “means more possibilities for military confrontation . . . New naval and surveillance capabilities have given nations the ability to sustain a greater presence in neighboring seas and to protect perceived vital interests. Issues that were once largely ignored, such as the various disputed islets in the East and South China seas, can now be vigorously prosecuted. The current level of brinksmanship could lead to naval combat around these disputed features. The participants might believe that they can contain the level of escalation. But any military conflict could have unpredictable consequences.” Mapp, “The New Zealand Paradox,” p. 56.
place with India. Australia is similarly integrated into the Asian economy. Canberra also participates in FTAs with Malaysia, Singapore, Thailand, and ASEAN; the government recently signed new agreements with South Korea, Japan, and China. There is no doubt that Australia and New Zealand’s future economic prosperity depends heavily on a secure and stable Asian region.

Yet while both countries’ economies are increasingly intertwined with those of their Asian partners, Canberra and Wellington’s economic and security portfolios are also closely aligned with the West, and for Australia especially, with the United States. Not only is the United States one of Australia’s leading trade partners, but the two countries also share a security alliance through the Australia, New Zealand, United States Security (ANZUS) Treaty of 1951. Moreover, the U.S.-Australia defense relationship has grown stronger in recent years in the face of a rising China and potential instability in Asia.

Australia has fully embraced the U.S. “pivot” to Asia, and in 2011 agreed to major increases in U.S. military activities, including the gradual deployment of a 2,500-strong Marine taskforce in the Northern Territory, advanced training, and more visits by U.S. warships and strike aircraft. In June 2014, the two countries signed an additional Force Posture Agreement that will enhance bilateral cooperation between the United States and Australian militaries granting them “additional reach throughout this very important part of the world.” And as China’s anti-access/area-denial (A2AD) systems mature, Australia is only likely to become more important to the United States given its strategic location in the Asia-Pacific region just outside of Beijing’s reach. For its part, Australia is supplementing the U.S. alliance with its own force modernization program, and by establishing stronger defense links with like-minded regional partners, including India, Indonesia, and Japan.

New Zealand’s response to the increasingly fluid and uncertain environment has been less pronounced than that of Australia. This is in part a function of its small size, its more favorable geographic location, Wellington’s close defense alliance with Canberra, and perhaps most importantly New Zealand’s unique relationship with Washington. For while the United States is also a key trade partner for New Zealand, the difference in New Zealand’s security relationship with the United States, and more specifically its

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52 The United States is Australia and New Zealand’s third largest trade partner.
non-ally status, has afforded Wellington more flexibility in its approach to the region.\textsuperscript{53}

Nevertheless, the U.S. pivot to Asia combined with the uncertain regional security environment has led to significant improvements in the U.S.-New Zealand defense relationship over recent years, exemplified by the Wellington and Washington Declarations of November 2010 and June 2012.\textsuperscript{54} New Zealand has subsequently participated in a number of U.S. military exercises, including the amphibious maritime exercise Dawn Blitz in 2013 with U.S., Canadian, and Japanese forces, and the U.S.-led Rim of the Pacific maritime exercises in 2012 and 2014.\textsuperscript{55} Like Australia, the strengthening of the U.S.-New Zealand relationship has taken place alongside — albeit more modest — force modernization programs,\textsuperscript{56} and efforts to maintain defense relationships with partners in Asia through such arrangements as the Five Power Defense Arrangement (FPDA).\textsuperscript{57}

Thus Australia and New Zealand face a potentially difficult set of choices in the future best characterized by an emerging security-prosperity dilemma. Australia’s economic and security policy towards the region, and to a lesser extent that of New Zealand, is closely aligned with the United States. Both Canberra and Wellington share a common interest in maintaining a regional balance of power that preserves the influence of a fellow liberal democratic state and that continues to sustain an environment in which Australia and New Zealand can prosper. Yet despite these common ties, both Australia and New Zealand’s economies are becoming more dependent on their Asian counterparts, and increasingly so on China. Thus while the United States will remain a key partner for Australia and New Zealand in the near future, in the longer-term, Wellington and Canberra’s views on the future of Asian security will increasingly depend on how the U.S.-China relationship unfolds, and on the ability of Australian and New Zealand leaders to manage the tensions that might flow from future shifts in the balance of power.

**Debates and Dividing Lines**

The changing regional security environment, and more specifically Canberra’s decision to align itself closely with the United States, has prompted some debate within Australia about the choices its leaders are making. Hugh White, Australia’s former secretary of defense, has questioned the continued feasibility of Australia’s current foreign policy, stating that the Australian leadership is doing “what smaller powers usually do when they are caught between rival giants: they try to tell both what they want to hear.”\textsuperscript{58} He believes that in the long run this is untenable, and that Canberra should take a leading role in forging a new Asian

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\textsuperscript{53} The passage of the New Zealand Nuclear Free Zone Act of 1987 led the United States to suspend ANZUS as it applied to New Zealand, and as a result, New Zealand is no longer a formal U.S. ally.

\textsuperscript{54} The Washington Declaration of June 2012 envisages a strategic dialogue and enhanced military cooperation within the region, with particular emphasis on maritime security, counter-proliferation, counterterrorism, and anti-piracy. For the text of the declaration, see http://www.defense.gov/news/WashingtonDeclaration.pdf.


\textsuperscript{56} New Zealand plans to develop its combat capabilities by 2020. The short-term goal for the NZDF is to achieve Joint Taskforce Capability by 2015. By 2020, the NZDF will focus on enhancing its combat capability. The government plans to replace its aging C-130H and Boeing 757 fleets in the early 2020s, as well as its ANZAC frigates and the P-3K2 Orion maritime surveillance aircraft. Recent defense acquisitions include a series of NH90 helicopters and three SH-2G (I) Seaspries. Ankit Panda, “New Zealand Plans to Grow Combat Capabilities by 2020,” The Diplomat, June 20, 2014. See also New Zealand Ministry of Defense, Defense Capability Plan (Wellington, New Zealand, 2014).

\textsuperscript{57} The Five Power Defense Arrangement of 1971 is signed by New Zealand, Australia, the United Kingdom, Singapore, and Malaysia.

\textsuperscript{58} Hugh White, “Australia’s Choice: Will the Land Down Under Pick the United States or China?” Foreign Affairs, September 4, 2013.
security arrangement in which Washington cedes power to Beijing but remains an important balancing influence in the region. According to White, the current Australian leadership is doing poorly by failing to realize that there is a choice that will have to be made if steps are not taken now to shape the future security environment.

Former Prime Minister Malcolm Fraser has echoed these sentiments, warning against too close an alliance with the United States, expressing fears of being dragged into a conflict that Canberra could otherwise avoid, and advocating a more independent Australian foreign policy.

The debate in New Zealand has been more muted than that in Australia. Indeed, one might question whether there has been any debate at all. Again, this is partly the result of New Zealand’s remote location, its tendency to focus on economic relationships over security concerns, and its non-U.S.-ally status, which renders the dilemma facing Australia less acute for policymakers in Wellington. These differences in circumstance have permitted ministers in Wellington to insist that New Zealand can maintain good relationships with the United States and a rising China — a goal that may indeed be attainable. Nevertheless, at least one commentator — Terence O’Brien — has noted dissatisfaction with New Zealand’s 2010 Defense White Paper, especially the absence of any serious consideration of how the changing Asian security environment might impact New Zealand’s choices in the future. Of particular concern for O’Brien is Wellington’s continued emphasis on the “Anglo-Saxon Five” and lack of interest in forging new defense relationships within Asia.

Hugh White has also commented on New Zealand’s lack of thinking about the kinds of tasks that it might need to perform in the future and what capabilities a new security environment would demand of the New Zealand Defense Force. Both O’Brien and White will be hoping that New Zealand’s 2015 Defense White Paper address some of these concerns.

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60 The Australian government’s response to these criticisms is best summarized in the 2014 Defense Issues Paper: “The Government does not accept the view presented by some analysts that Australia faces a difficult strategic choice between promoting an alliance relationship with the United States or an economic relationship with China. All Australian governments since the establishment of diplomatic relations to the People’s Republic of China in 1972 have promoted both sets of bilateral relationships. While the United States and China have a very close economic relationship, it is clear that China’s growing power makes for a more complicated strategic relationship between the two countries. Australia will continue to pursue close relationships with both; and the key policy question for the White Paper is how exactly this should be done. Does Australia continue to need a defense alliance with the United States? The unequivocal answer of all Australian governments and a large majority of the population since the Second World War has been ‘yes’. Our Alliance with the United States is based on our shared values, support for democracy and the rule of law and many shared strategic perspectives.” Australian Department of Defense, Defense Issues Paper (Canberra, Australia, 2014), pp. 16-17.


62 For a recent exception within the academic community see Ayson, “New Zealand Response,” pp. 168-183.

63 See White, “New Zealand’s Strategic Options in the Asian Century,” 2011. The New Zealand 2010 Defense White Paper notes, “It is highly unlikely that New Zealand will face a direct military threat, but other significant security events are possible. New Zealand needs to be alert to unseen risks, and maintain depth and resilience in our military capabilities” (p. 33). The NZDF is to “defend New Zealand’s sovereignty,” “to discharge our obligations as an ally of Australia,” “to make a credible contribution in support of peace and stability in the Asia-Pacific region,” and “to be prepared to respond to sudden shifts and other disjunctions in the strategic environment.” (p. 37). Yet, as White notes, there is little discussion of what any of these tasks require of the NZDF in practical, operational terms.
The dilemma facing New Zealand and Australia stems in large part from both countries’ economic ties to Asia, and the benefits that both reap from trade with China especially.

The Rise of China: Opportunities and Challenges

The dilemma facing New Zealand and Australia stems in large part from both countries economic ties to Asia, and the benefits that both reap from trade with China especially. New Zealand became the first developed country to successfully conclude a free trade agreement with China in 2008, the benefits of which have far exceeded expectations. China has now surpassed Australia to become New Zealand’s number one export destination for goods and services, and the two countries have set a target of reaching NZ$30 billion in two-way goods trade by 2020 (up from NZ$20 billion in 2014). China is also Australia’s largest two-way trading partner in goods and services, its largest goods export destination, and Australia’s largest source of goods imports. The importance of China to Australia’s economic growth was cemented in June 2015 with the signing of the China-Australia Free Trade Agreement.

In addition to gains accrued from bilateral trade, China is becoming an increasingly important player in the South Pacific — a region of importance to both Australia and New Zealand given its close geographical proximity and shared cultural ties. Over recent years, Beijing has become a key aid donor in the region, providing $850 million in bilateral aid to eight countries in the South Pacific between 2006 and 2011 alone. At the APEC Leaders’ Meeting in Beijing earlier this month, the Chinese President Xi Jinping pledged a further $70 billion in loans and infrastructure projects to the Asia Pacific. China’s expanding interest in the region and corresponding aid flow has been welcomed by a number of South Pacific countries, and creates potential space for cooperation over future development projects with Canberra and Wellington.

Yet, China’s growing economic engagement and the possibility of future partnerships also present challenges for Australia and New Zealand. Increased Chinese activity in the South Pacific raises questions about aid transparency and can undermine Canberra and Wellington’s attempts to promote models of good governance through aid conditionality in the region. Bilateral trade and investment, while bringing a great deal of prosperity to Australia and New Zealand, raise questions of increased dependency on a non-security ally that could provide Beijing with tools of political leverage in the future. And as China’s regional economic influence grows relative to that

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66 China attributes four “firsts” to New Zealand: 1) In 1997 New Zealand became the first country to agree to China’s accession to the WTO; 2) New Zealand was the first developed country to recognize China as a market economy; 3) New Zealand was the first developed country to commence FTA negotiations with China, in April 2008; and 4) New Zealand became the first country to successfully conclude free trade agreement negotiations with China, in April 2008. New Zealand Ministry of Foreign Affairs and Trade, “People’s Republic of China,” last updated November 17, 2014.


of the United States, there is the broader issue of what the Asia-Pacific would look like with an authoritarian superpower at the helm. Finally, there is the question of how relations with China are to be balanced with the security concerns of traditional allies, like the United States, and smaller regional neighbors who often look to Australia and New Zealand for support in their attempts to push back against Beijing.

Conclusion: Future Roles in the Region

More thinking needs to be done in Canberra, but perhaps more especially Wellington, on how the two countries can work together to shape the future security environment in Asia. Conflict in the region is not inevitable, and neither country is currently being forced to choose between long-standing security alliances and future economic prosperity. But this possibility is not as ludicrous or as far-fetched as is sometimes portrayed in policy circles. More attention should be paid in both capitals to the ways in which Wellington and Canberra can work to prevent this situation from arising in the future. Indeed, to the extent that Canberra and Wellington have good relationships with both China and the United States, there is a unique opportunity to develop initiatives that will help maintain a regional order in which the United States is present and China can be accommodated.

First, both countries should continue to work through the existing regional security architecture to promote dialogue and confidence building measures. While neither country has the power nor influence to act as a serious mediator between China and the United States, Canberra and Wellington do have some ability to shape the regional environment in which these countries interact. The ASEAN Regional Forum (ARF), the Shangri-La Dialogue, the East Asia Summit (EAS), and the ASEAN Defense Ministers Meeting-Plus (ADMM+) all provide forums in which New Zealand and Australia can work together with leaders from the region, including the United States and China, to promote dialogue and work to diffuse tensions during periods of crisis.

Second, both Australia and New Zealand should make a more concerted effort to develop their defense relationships in Asia, not only with traditional allies through existing agreements like the Five Power Defence Arrangements, but also with non-traditional security partners like China. Some important efforts in this direction have already been made, with New Zealand ship visits to China; New Zealand, Australian, and Chinese participation in the U.S.-hosted 2014 Rim of the Pacific maritime exercise;73 and a Australian-U.S.-Chinese joint training exercise in Australia's Northern Territory late last year.74 Given these recent activities, both Australia and New Zealand are well positioned to build on this momentum and further develop their bilateral defense relationships with China through military training in areas of mutual interest, such as humanitarian disaster relief and peacekeeping training in Asia and the South Pacific. Again, these initiatives could help build trust and confidence, while also serving to diversify a set of bilateral relationships that until this point have been heavily focused on economics.

Finally, both New Zealand and Australia should resist attempts to exclude China from regional organizations and dialogues. It is understandable that countries near China are concerned about Beijing's power and increasing assertiveness in contested regions. But Japan's proposal that Australia, India, Japan, and the United States form a strategic diamond to safeguard the maritime

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73 This is the first time that China has participated in the RIMPAC exercise.
commons would likely be interpreted as a policy of containment by China and spark further tension. In the short to medium term, efforts should be made wherever possible to maintain an inclusive approach toward regional dialogue in the hopes that continued communication can help ease shifts in the regional balance of power.

If this policy of accommodation fails, however, and tensions escalate further, both New Zealand and Australia will need to have contingency plans in place. Indeed, to the extent that policymakers in Canberra and Wellington view China’s rise as posing not only a traditional security threat, but also as presenting a broader ideological challenge to their liberal democratic values, leaders in both countries may be pushed closer to the United States and regional democratic partners in a more explicit balancing alliance. It will be interesting to see what the Australian and New Zealand 2015 Defense White Papers reveal in this regard. Alternatively, Australia and New Zealand might continue to view hard balancing as counter to their economic interests, and prefer softer approaches such as forming a regional concert, or opting for armed or unarmed neutrality.

Finally, Australia and New Zealand could end up choosing different paths in the future, with potential implications for the trans-Tasman relationship. Indeed there are already signs of divergent security interests, with Australia following the U.S. lead in emphasizing the strategic importance of Southeast Asia and forging a stronger partnership with Indonesia, and New Zealand maintaining its focus on the more proximate South Pacific states. Whatever the response from Wellington and Canberra, however, it is clear that policymakers in both countries will need to do some serious thinking about the kind of region in which they wish to reside in the future — and what steps they can take now to best promote this vision moving forward. Without such foresight, what appear to be small decisions now may hold much greater consequences for the range of options available to both countries in the future.

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76 In fact according to the Coalition Government’s 2014 Defense Issues Paper, Australia’s forthcoming Defense White Paper is likely to signal a move in this direction by explicitly emphasizing Australia’s close relationship with the United States and regional partners, like Japan.

The possibilities for collaboration and partnership between the European Union and Asian countries on weapons of mass destruction (WMD) issues such as security and defense are numerous, diverse and should be part of a long-term strategy. Over a horizon of 30 years, the definition, recognition, and fight against common threats will be one of the more robust instruments for promoting cooperation. As such, the fight against the proliferation of WMD and their means of delivery will be especially important. The North Korean threat as well as the resurgence of latent territorial disputes and an emergent but real arms race in Asia are creating the need for stability instruments, confidence-building measures and structured cooperation between the European Union and Asian counterparts. The conflicted relationships between the major regional powers (China, India, Japan, and the United States) heighten the need for such stability instruments.

Security Cooperation is Required by the Complex Security Context

Increasing defense budgets and the modernization of conventional and non-conventional arsenals in Asia portend rising tensions. The containment of such tensions, notably through controls on exports of sensitive materials, seems imperative. The objective of arms control is to limit or impose standards on the spread of military equipment and sensitive technologies, through measures of trust and transparency related to their production, possession, and transfer. The most effective controls require the establishment of a legally binding normative framework based on export control lists of sensitive materials. There are presently four principal export control regimes: the Nuclear Suppliers’ Group, the Missile Technology Control Regime, the Australia Group, and the Wassenaar Arrangement. However, the situation in Asia is characterized by the absence of clear standards and the application of very specific voluntary constraints, although some states unilaterally claim to participate in multilateral instruments and voluntarily adhere to certain control lists such as the EU’s dual-use goods list.

Asia’s impressive economic development has been accompanied by a parallel growth in defense and security investments. The cumulative effect of this regional growth and the persistence of nationalism and unresolved disputes between states now threatens to give rise to an “arms race” with potentially enormous destabilizing effects.

The economic, scientific, and technical development of Asian countries has been accompanied by the development or acquisition of new military systems, either via indigenous development or through imports. At present, most of the exchanges and military partnerships in the region are between Asian countries and lie outside any export control framework.

The techno-scientific catch-up of Asia is creating an unprecedented strategic environment. The technological and military advances of China and India for example, combined with the resurgence of tensions and unsettled territorial disputes, produce a dangerous cocktail in which other Asian countries feel compelled to invest heavily in high-tech military equipment in order to ensure an acceptable military balance. The increasingly widespread development and acquisition of missiles in the region is symptomatic of this situation. Most Asian countries now possess missile technology, even if only rudimentary, and some are already engaged in the development of sophisticated ballistic missile technologies. Beyond the powers of the region already equipped with such technologies (China, India, Japan, North Korea, Pakistan, and Republic of Korea), new players are emerging and claiming their right to become military powers (Indonesia, Vietnam, and Philippines). Asia is about to reproduce a security environment close to that of the Cold War.

The situation in Asia is characterized by the absence of clear standards and the application of very specific voluntary constraints.
to that of the Middle East in the 1980s and 1990s, when the development of ballistic missile arsenals by some regional powers forced neighboring actors to match them in order to be able to face new threats and carry out deep strikes. The geographical dispersion and the insularity of many Asian states is also creating incentives to develop offensive naval capabilities on the one hand and long-range strike capabilities on the other, some of which could serve as the means of delivering weapons of mass destruction.

In addition, the latent threat represented by the North Korean ballistic missile arsenal has obliged many countries of the region (including Australia) to seal partnerships with the United States in the field of missile defense, allowing them to access or operate extremely advanced technologies, albeit under the strict control of the United States, which shares its sensitive technologies carefully.

Defense spending in Southeast Asia remains at a comparatively low level relative to GDP (2-3 percent on average) and does not hamper the economic development of states. There is therefore room for further expansion if countries of the region were forced to participate in a conflict or felt an increased threat from a neighboring country. Most of these Southeast Asian nations remain convinced that their defense capabilities are still lower than in most developed countries and that their defense and security needs are still far from fulfilled with respect to the magnitude of risks and threats that may affect their vital and strategic interests.

The Common Threat as a Stimulator for Partnerships Between Asia and Western Powers

In Asia, the presence of heterogeneous political systems, growing nationalism, and the persistence of major territorial disputes prevent the establishment of classical forms of arms control at a
regional level, despite the growing political weight of the ASEAN.

Some Asian-Pacific states already participate in global non-proliferation initiatives and regimes that may be extended to include other Asian members, including the Chemical Weapons Convention and the Proliferation Security initiative, among others. However, recent missile and nuclear tests in North Korea have reminded Asian states of the importance of the fight against the proliferation of WMD. Indeed, what is at stake today is the sustainability of existing instruments in the nuclear field, but also in the chemical, biological, and missile domains. The further weakening of the legitimacy of these instruments in the face of the proliferation of WMD would directly contribute to an erosion of the regional and international security. Asian countries such as Cambodia, Vietnam, or the Philippines are thus requesting support from the European Union in adopting and implementing regulations and standards, not only political measures and support, but also the capabilities, technologies, and best practices that accompany them.

**The Role of the European Union and the Need for a Non-Proliferation Policy Shifting**

Stability and security in Asia will be increasingly paramount for international peace and stability. Thus, the participation of Asian countries in multilateral mechanisms for arms control and non-proliferation is already a major global issue.

While the Middle East remains central to the EU’s efforts to counter the proliferation of WMD and their means of delivery, it still needs to rapidly reconceptualize and rethink its role in Asia. The vast majority of Proliferation Security Initiative (PSI) cases involve Asian countries. Proliferating entities take advantage of the weaknesses and vulnerabilities of the international community. Like the EU initiatives, international efforts have focused on traffic, transit, and transshipment through the Middle East with a real, positive, and measurable impact on flows of illicit products.

Asia has therefore become the natural fall-back for proliferators eager to exploit legal loopholes as well as human and technical resource shortages. Some Southeast Asian countries do not yet have the capacity to ensure effective, comprehensive, and sustainable export controls. Technology has historically flowed from Asia to the Middle East, but in the next 20 years, neither the European authorities nor the Asian organizations in charge of the fight against proliferation will have the luxury of ignoring the fact that proliferating entities will look for new markets in countries with even weaker control systems, including those in Africa.

EU Council decisions in support of non-proliferation must be specifically designed to take into account the shifting of the center of gravity of proliferation and to respond to a political and cultural environment drastically different from other regions such as the Middle East. The numerous EU outreach activities must focus on this Asian dimension.

Given the problem of threat analysis and intelligence sharing inherent in counter-proliferation, states are natural partners in this area. However, regional organizations such as ASEAN and the ASEAN Regional Forum have growing political influence and a huge under-exploited potential in terms of WMD non-proliferation or counter-terrorism related to WMD, as symbolized by United Nations Security Council Resolution 1540. If Southeast Asian countries are not directly in the European Union sphere of influence, the EU and its External Action Service possess an extremely robust, codified, and meaningful...
Reinforcing its relationship with the United States, Japan, the Republic of Korea, and Australia will help the EU not only to share and spread best practices, but also indirectly to secure its own borders and its population.

Reinforcing its relationship with the United States, Japan, the Republic of Korea, and Australia will help the EU not only to share and spread best practices, but also indirectly to secure its own borders and its population. The participation of these countries (most notably Japan) will be fundamental for a coherent European policy in Asia. For the next 20 years, Asia and the EU could create a win-win situation in which Asian countries would benefit directly from the EU’s human and financial support in meeting the expected requirements of a responsible policy tackling the proliferation of WMD and their means of delivery, while the EU reinforces its international influence and secures its environment by constricting the supply of WMD-related materials.

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