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THE FREE AND OPEN INDO-PACIFIC:

Charting a Common Approach

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CONFERENCE NOTES



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THE FREE AND OPEN INDO-PACIFIC AND CANADIAN FOREIGN POLICY TOWARD ASIA

The Free and Open Indo-Pacific concept has emerged over the last several years as one of the most prominent organizing concepts within the Asia Pacific. Countries including Australia, India, Japan, and the United States, and multilateral organizations including ASEAN, have articulated similar, although slightly differing, interpretations of FOIP.

On January 22nd and 23rd, the Asia Pacific Foundation of Canada (APF Canada), with government and corporate support, held a conference in Vancouver, British Columbia, to discuss various interpretations of the FOIP concept with academics, policy-makers, and the wider Canadian public.

Experts from Canada, the United States, Europe, and from across Asia came together to discuss issues around FOIP's governance, economics, and security pillars, as well as FOIP's applicability to Canada. The discussions were wideranging and informative and brought together some of the leading experts on the FOIP concept.

This conference summary report first outlines the major points of discussion then concludes with general policy guidance for Canadian policy-makers.

EXECUTIVE SUMMARY

The Asia Pacific Foundation of Canada's Free and Open Indo-Pacific conference featured four panel discussions across two days, with wide-ranging and contrasting views on the FOIP concept and its impact on governance, economic interconnectivity, and both traditional and non-traditional security issues.

Participants generally agreed that rule of law, interconnectivity and inclusivity are key principles of any aspirational vision for FOIP as a structure to promote inter-regional engagement and stability, rather than a purely strategic alignment of "like-minded states."

Currently, the FOIP concept has no clear governance structure, and not all Asian states see shared democratic values as necessary pre-conditions for state relations. Participants also agreed that ASEAN will play a central role in developing a more inclusive concept moving forward.

The economic diversity of the region and limited mechanisms for integration under FOIP pose significant challenges, participants also heard. Much of the region's existing trade architecture functions independently to further economic interconnectivity in the region and, although FOIP has the potential to provide additional co-ordinating value, there were doubts, without the necessary institutional infrastructure, that FOIP can achieve this goal.

Security issues within FOIP are wide-ranging and include sovereignty concerns in the South China Sea, the preservation of open sea lines of communication (SLOCs), and the protection of "free" and "open" maritime systems for island nations. In order for FOIP to have wide regional appeal, it was concluded that Chinese interests must be included in security considerations. Conference participants also agreed that non-traditional security issues such as piracy, terrorism, pandemics, and climate security could function as central nodes of security co-operation among FOIP states.

ESTABLISHING A BASELINE

To start, panellists outlined the differing interpretations of the FOIP concept to establish a baseline for subsequent panel discussions. Participants from Canada, Indonesia/the ASEAN region, India, Japan, and the United States provided their interpretations of their country's respective FOIP visions and outlined how (if at all) their country has worked to operationalize the concept.

While panellists identified areas where their concepts of FOIP differed, they shared an understanding that interconnectivity was an overriding theme within all regional conceptual interpretations. Connectivity within FOIP, the panellists argued, includes economic, security, political, and people-to-people ties. The panellists also agreed that connectivity would primarily occur between the economies of East, Southeast, and South Asia and those of East Africa and the Middle East. FOIP, in its most fundamental form, therefore, is about realizing a two-ocean, two-continent strategy in order to build a mega-region of inclusivity for the sake of economic development and inter-regional stability.

Importantly, a panellist from Japan argued that the Japanese administration is currently pursuing a FOIP 2.0 diplomatic strategy that focuses on inclusivity and stability, in contrast to earlier FOIP 1.0 versions that prioritized security and security alignment between "like-minded states." FOIP, from this perspective, is not a manifesto for a 'Concert of Democracies' that will work together for democratic promotion, but rather an aspirational statement for inter-regional inclusivity and engagement.

While participants took pains to articulate a version of FOIP that was not anti-Chinese in nature, they all agreed that earlier accounts of the vision, particularly those from the United States, were primarily strategies to counter China's Belt and Road Initiative (BRI) and to push back against China's expanding influence in Asia, Africa, and the Middle East. Several participants agreed that FOIP-promoting states must be more inclusive if the concept is to have wide regional appeal.

FOIP AND GOVERNANCE

On discussions of governance and FOIP, the panellists agreed that at present the vision lacks an internal governance structure and, as such, is not a direct contributor to regional governance. The FOIP concept, in this respect, is not an inter-regional organization, but rather a concept without clear structure or shared institutions. This observation was not a critique of FOIP's internal values, but rather an agreement that the concept is a work-in-progress without formal parameters. Nevertheless, as FOIP's primary advocates are all democratic states, the panellists did note the importance of democratic shared values within FOIP as currently conceptualized.

One panellist raised concerns over democracy's centrality in the FOIP concept, arguing that not all Asian states view democratic institutions, or a democratically-aligned 'rules based order,' as necessary conditions for state relations in Asia. With reference to the Pacific Islands in particular, there were questions whether South Pacific nations were amenable to the idea of a democratically-organized strategic concept that, for all intents and purposes, seeks to limit Chinese influence in the region. The majority of South Pacific nations prefer to co-operate with China and have real incentive to limit their engagement.

Some panellists stressed the importance of a rules-based order as the primary foundation for FOIP and opposed attempts to weaken this order. The issue of 'rules-based order' was the point that panellists and participants revisited many times over the course of the two-day conference. One panellist argued that there is currently no consensus around what constitutes 'rules-based order' in Asia and suggested any reference to an unspecific 'order' is problematic. Another panellist argued that the power balance in the Indo-Pacific region is changing rapidly mainly due to China's naval expansion and challenges to 'rules-based order' premised on international law, and like-minded states should work together to address the threat posed by China. Another panellist stressed the importance of the role of the United States in the region, arguing that the U.S. FOIP is not all that different from the Obama administration's Pivot/ Rebalancing.

The panellists agreed on the importance of dialogue within the region as a means to address these issues and to develop further the relationship between the FOIP concept and regional governance. They acknowledged the central role ASEAN will necessarily play in the future development of FOIP and referenced the ASEAN Outlook on the Indo-Pacific as an important joint-statement articulating a more inclusive interpretation of the FOIP vision.

Discussants also raised the issue of the South China Sea within the FOIP concept, with one panellist arguing that the concept's 'free' and 'open' aspects were primarily in reference to maritime law and security co-operation within the Asia Pacific region. Others suggested that the FOIP concept could provide an opportunity for Taiwan's further strategic integration into the Asia Pacific, although there was no consensus among panellists about the feasibility of Taiwan's involvement in FOIP noting, in particular, China's assured opposition.

FOIP AND ECONOMICS

There was widespread agreement amongst panellists that the desire for greater economic interconnectivity provides a critical rationale for state-propagation of the FOIP concept. So did the panellists agree, however, that FOIP in its current formulation lacks a mechanism to help countries achieve such integration.

One speaker identified, for instance, the tremendous amount of economic diversity in Asia, Africa, and the Middle East as a major obstacle to inter-regional economic integration. FOIP-area economies differ significantly in terms of their economic size, state of economic development, per capita gross domestic product (GDP), standards of living, and approach to government/market relations. These structural issues increase the difficulty of the FOIP concept leading to greater inter-regional economic connectivity, particularly as countries are already negotiating for increased interconnectivity through established institutions like the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).

Panellists also raised concerns about which regional economies would be included in FOIP-directed economic integration. Panellists agreed, for instance, that the main FOIP economies (particularly the United States) would not likely seek Chinese involvement in any FOIP-related economic initiatives. As such, the panellists questioned FOIP's viability to effect inclusive, inter-regional economic integration.

Lastly, the panellists questioned whether the FOIP concept was necessary for Asian economic interconnectivity, which has deepened in recent years absent of any FOIP construct or institution. The region's existing economic architecture already includes Asia Pacific Economic Cooperation (APEC), the CPTPP, the BRI, and any number of free trade deals. Many Asian countries, including India, are currently negotiating conditions around a Regional Comprehensive Economic Partnership (RCEP), a multilateral free trade agreement that would result in Asia's further economic consolidation. None of these institutions is dependent on the FOIP construct for their relevance and/or durability, so it is questionable where the concept adds value to the regional situation. This is particularly true if the FOIP concept is intended to exclude China and/or limit China's economic influence in Asia.

FOIP AND SECURITY

As with economic issues, panel discussions on FOIP and security were equally wide ranging and informative. Panellists agreed on maritime security's centrality in the concept, particularly with reference to FOIP's 'free' and 'open' values. The panellists similarly referenced the South China Sea and identified FOIP's potential to act as a mediator within regional security dynamics. Panellists also identified sea lines of communication (SLOC) security as a central feature of FOIP's security rationale. One panellist noted that Japan and Australia, two of FOIP's most ardent proponents, are island nations that rely on maritime trade for their economic development, underscoring the importance of a 'free' and 'open' maritime system for those two nations.

One speaker argued that countries could unite under the FOIP construct to balance against China's growing maritime presence and influence in the Indian and Pacific oceans. The speaker pointed to Chinese naval activities in the Gulf of Aden, Chinese naval bases in Djibouti, and China's maritime claims in the South China Sea.

Conference participants also spoke about the centrality of non-traditional security issues in the FOIP concept. Panellists identified issues including illegal, unreported, and unregulated (IUU) fishing, piracy, terrorism, and climate security as key FOIP issue-areas of concern. The panellists agreed that co-operation on non-traditional security issues in Asia could help consolidate security co-operation among states under the FOIP concept.

One panellist noted that China believes the FOIP concept is inherently anti-Chinese in composition and orientation. Another panellist argued that any attempt to exclude China from the regional security architecture would only heighten regional tensions and undermine FOIP's stated intent of contributing to regional stability. Some panellists agreed that FOIP-promoting states must take Chinese concerns into account to avoid regional security schisms. There was, however, little optimism among panellists about a future China/FOIP détente or whether the United States would agree to Chinese involvement in future FOIP institutions.

Lastly, one panellist raised the issue of security in the Middle East and East Africa. The panellist made the point that while the Asia Pacific is remarkably stable, the Indian Ocean region is home to many long simmering conflicts. This security 'gap' between the two regions will complicate any attempt to integrate security activities between regional states. Further, it's not at all certain that all Middle East and Africa states share FOIP-promoting states' views of inter-regional order, particularly if such an order is hostile to China's interests.

FOIP AND CANADA: ISSUES AND POLICY GUIDANCE

As Canada has yet to articulate a national position with regard to the FOIP concept, much of the discussion around FOIP and its implications for Canadian engagement in the Asia Pacific was limited to potential opportunities and/or potential pitfalls.

With regard to governance, panellists agreed that Canada could play an important role in shaping FOIP's internal governance structures as it shares many common values with FOIP's primary architects: Australia, Japan, India, and the United States. FOIP values include democratic determination, inclusivity, interconnectivity, and security. Panellists in particular agreed that the earlier Canada becomes involved in discussions with FOIP-advocate countries around governance issues, the more Canada could influence the development of its governance institutions.

With regard to economics, panellists agreed that Canada has positioned itself well through CPTPP accession to affect greater economic interconnectivity with FOIP economies. Panellists did not agree on what such economic interconnectivity would look like, despite the wide acceptance that Canada could benefit from such integration. The applicability of a two-ocean strategy for Canada was raised as Canada is not dependent on Indian Ocean SLOCs.

With regard to security, panellists agreed that Canada could play a more proactive role within the region around security negotiations and security cooperation, particularly with respect to the South China Sea and Taiwan.

POLICY RECOMMENDATIONS: CANADA AND FOIP

While the panellists did not provide direct policy advice to the Canadian government regarding its approach to the FOIP concept, discussions involving participants and speakers tended to coalesce around a few of the following policy options:

1. Canada must understand the competing FOIP visions to determine which, if any, most directly benefit Canada's national interests in Asia. Such discussion must include governance, economics, and security implications for Canada in terms of developing a coherent 'Made in Canada' approach to the Indo-Pacific region.
2. Canada must consider what are its national interests in the region and how can they be best served through FOIP collaboration, particularly with reference to China. An inclusive approach to China will serve Canadian interests better than the earlier U.S. version, which is more focused on Chinese containment.
3. Canada must also recognize, however, that there are clear signals from some regional actors for greater Canadian involvement within an Indo-Pacific architecture. Canada can use the FOIP vision, for example, to enhance its bilateral relations with certain Asian states, as evidenced in Canada's commitment with Japan to the "vision for maintaining a free and open Indo-Pacific region based on the rule of law" and to "advance it through a range of initiatives" (PMO announcement on April 28, 2019, upon Japan's PM Shinzō Abe's visit to Ottawa).
4. Canada must take advantage of normative convergences with FOIP states and establish its own pillars for engagement to promote Canadian interests in the region, such as sustainable development, maintenance of global rules and norms, freedom of navigation, peaceful resolution of disputes, WPS agenda, climate security, and governance on digital trade, data, and cybersecurity.

5. The adoption of an Indo-Pacific geographic concept will require critical analysis and regional partner consultation as expanding the geographic reference to include the Indian Ocean is not as intuitive for Canada as it is for countries like Japan and Australia, which are both island nations with clear economic and security interests in the Indian Ocean. The benefit to Canada of including the Indian Ocean, however, enhances the already acknowledged importance on heightening Canada's relations with India.

6. Vancouver's location and its connectivity to North America and Asia make it the ideal city for continuing strategic dialogue. Support APF Canada's initiative to mount an annual Vancouver Asia Dialogue series convening international experts from government, academia, and the corporate sector with the aim of addressing key strategic issues in the Indo-Pacific.

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ABOUT THE ASIA PACIFIC FOUNDATION OF CANADA

The Asia Pacific Foundation of Canada (APF Canada) is a not-for-profit organization focused on Canada's relations with Asia. Our mission is to be Canada's catalyst for engagement with Asia and Asia's bridge to Canada. APF Canada is dedicated to strengthening ties between Canada and Asia with a focus on seven thematic areas: trade and investment, surveys and polling, regional security, digital technologies, domestic networks, sustainable development, and Asia Competency

Our research provides high-quality, relevant, and timely information, insights, and perspectives on Canada-Asia relations. Providing policy considerations and business intelligence for stakeholders across the Asia Pacific, our work includes Reports, Policy Briefs, Case Studies, Dispatches, and a regular Asia Watch newsletter that together support these thematic areas.

APF Canada also works with business, government, and academic stakeholders to provide custom research, data, briefings and Asia Competency training for Canadian organizations. Consulting services are available by request. We would be pleased to work with you to meet your research and business intelligence needs.

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