



# CANADA AND THE INDO-PACIFIC INITIATIVE

Policy Brief

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## Canada's Indo-Pacific moment

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The Indo-Pacific is a pivotal region that has arguably become the world's centre of geoeconomic and geostrategic gravity. Indeed, the true litmus test for the rules-based order will be its ability to evolve and withstand the challenges in the Indo-Pacific in the coming years. The COVID-19 crisis has only heightened these challenges and proven the need for Canada to develop a robust, comprehensive, and multipronged approach to the region.

This region, which connects the vast oceans of Pacific and the Indian along with the states in between, is not a new geostrategic concept. Indeed, the idea of a broader geographic region – rather than more traditional subsets such as East Asia, South Asia, or the more expansive Asia-Pacific – has been used for more than a decade by scholars and practitioners in the region. An Indian naval captain began using the Indo-Pacific concept in geopolitical terms more than a decade ago, but the terminology has not been limited to scholars in Delhi. Japan's former Prime Minister Shinzo Abe, back during his first stint as Prime Minister in 2007, spoke to India's parliament about his country's vision for Indo-Pacific in the form of a “confluence of the two seas” (Abe 2007) As he noted, there was a need to transcend beyond tradi-

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tional frameworks that often separated or minimized the geopolitical connections between South Asian and the Indian Ocean region with that of East Asia and the Pacific.

While others have since developed Indo-Pacific approaches, it is crucial to remember that the intellectual origins of this kind of strategic thinking came from the region – especially from policy-makers and officials from Japan, India and Australia – and will largely continue to evolve based on the strategic interests and resulting policy approaches from regional states. That said, other states invested in the Indo-Pacific have also been developing approaches in recent years, including the United States, Germany, France, the United Kingdom, the Netherlands and others. These approaches, while not identical and obviously premised on unique national interests, largely converge on a range of shared pillars – principally the need to maintain a rules-based system in the region that prioritizes the peaceful settlement of disputes and follows international law. All of these approaches also underscore the importance of open and transparent infrastructure development in the region so as not to laden donor-recipient countries with heavy debt arising from infrastructure projects that don't serve their long-term interests.



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We need to understand the regional origins of the Indo-Pacific concept, including its articulation as a Free and Open Indo-Pacific (FOIP) first introduced by Japan. Such a perspective is essential to modify an incorrect – yet often stated – framing that FOIP is merely a hard stick tool created by the United States aimed at curtailing China's rise. This narrative, which is often spun by detractors who question the value of a Canadian Indo-Pacific strategy, misses the complexities of other states in the region and their shared interest in FOIP principles, which are often aligned but not completely congruent with those of the United States.

Indeed, the rules-based liberal international order in the Indo-Pacific now faces serious challenges on a number of fronts: the rise of protectionism and widespread authoritarianism, the growing skepticism about liberal values and the malfunctioning of international institutions. These concerns are symptoms rather than a cause of the current stress on the international system. Among developed economies, there has been a widening gap of income disparity and consequential disenfranchisement from citizens who are not benefiting from the financial successes of globalization. This has partially led to the growth of populist rhetoric and new political voices aimed at securing this

“lost” part of the electorate in a range of countries in the West and beyond.

These economic tensions and dissatisfaction with the inequities of current institutions have been inflamed by simultaneous geopolitical challenges, including growing strategic rivalries and the marginalization of international law as a means of solving disputes. Helping to magnify these divisions even more is the rapid growth of digital tools and the intentional misuse of these capabilities – such as social media or cyber tools being used for misinformation campaigns and influence/interference operations.

Advances in digital technologies have radically improved convenience across all aspects of society, from state administration and industry to individual lifestyles, and this trend has already reached an irreversible level. At the same time, however, negative phenomenon such as cyberattacks against various targets, fake news, interference in the elections of other countries, and national surveillance and data hoarding by authoritarian states have been adversely affecting the international order. The only way peaceful way forward is for the international community to construct common rules that are compatible with advances in digital technologies.

Moreover, the international rules-based order is also adapting to a rapidly evolving security environment with a host of territorial disputes, growing strategic rivalries and the need to manage the development of cutting-edge military technologies. The Indo-Pacific, in particular, is facing a host of shared security challenges, from maritime piracy and crime to heated territorial disputes. In this vast maritime space – stretching from East Africa to the Pacific Island chains – the foundations of regional commerce and security are secured through the freedom of navigation and secure sea lines of communication.

With its large economies and diverse fast-paced growth in many middle-sized ones, the economic opportunities offered by the region are difficult to deny. The Indo-Pacific is now home to a growing web of important trade agreements that signal greater economic integration. Most importantly, there is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – a high ambition trade deal involving 11 economies in the region, including Canada. The recent signing of the Regional Comprehensive Economic Partnership (RCEP) also brings together other large economies not represented in the CPTPP, such as China, South Korea, Indonesia and Thailand. Both agreements reassert the centrality of Southeast Asia as a trading hub and centre for regional integration. Alongside this economic growth is a large demand for infrastructure development in the region – some estimate the need for more than US\$4 trillion in investment over the next two decades. To fill this void, several regional powers have the ability to work with states in the region for a sustainable way forward based on fair-lending, transparent institutions and long-term planning.

Yet, there are a number of key challenges to the rules and order in the region that have underpinned security and prosperity for states in the Indo-Pacific.

In the South China Sea, Beijing continues to undercut international law and aims to subjugate its neighbours through extensive land reclamation efforts, the imposition of military equipment and infrastructure, the use of aggressive tactics from its maritime forces (both military and paramilitary), and the diplomatic splitting of states in the Association of Southeast Asian Nations (ASEAN). Meanwhile, Beijing also continues to raise regional concerns through its constant incursions into the maritime domain and airspace surrounding Japan's Senkaku islands in the East China Sea. China also has been ramping up its posture against other neighbours, including an alarming rate of tensions with India along its disputed borders and an uptick of coercion tactics aimed at Taiwan. An increasingly confident and assertive China, in addition to other regional challenges such as North Korea's growing nuclear weapons capabilities, has amplified a number of tripwires in the region that could stall or upend the trajectory of the region's transformation depending on their resolution.

## Canada's way forward

With the largest growing middle class in the world, the Indo-Pacific economic markets are slowly changing from export-led to consumption-focused economies. Capitalizing on these economic opportunities remains crucial to Canada's long-term prosperity as it seeks to diversify its traditional trade in North America and with Europe. However, in order to prosper and benefit from the region's economic centrality, Canada must also recognize and become an active player in ensuring its geopolitical interests are not decided by others.

While the Indo-Pacific concept is not new to many states in the region, its discussion and convergence with Canada remains at a nascent stage. Indeed, Canada's traditional lens to look at the region has not been framed from an Indo-Pacific angle but rather as the "Asia-Pacific" or "East Asia." Contextualizing this framing is important. Up until this point, the focal points of Canadian engagement have been premised on the multilateral forums through which it is engaged. Examples of this include Canada being a founding member of the Asia-Pacific Economic Cooperation (APEC) and the Asian Development Bank (ADB). Canada also is a longstanding Dialogue Partner with ASEAN and a member of the ASEAN Regional Forum. More recently, Canada has joined other organizations, including the Asian Infrastructure Investment Bank (AIIB).

This multilateral underpinning of Canada's engagement to date has been decidedly "Asia-Pacific" in its focus for the past several decades. Yet it has become increasingly clear that, while many forums which Canada traditionally engages in remain relevant, its approach to the region is antiquated and in need of significant policy evolution. Some detractors might argue that Canada should not look at developing an Indo-Pacific approach because it would betray our commitment and experience to organizations and partnerships centred around the Asia-Pacific, such as ASEAN and its related bodies. The short

answer to these critiques however is that the development of an Indo-Pacific approach, in line with principles of a Free and Open region, are not mutually exclusive or meant to replace our traditional engagement in the region. To the contrary, the development of an Indo-Pacific approach – which is currently being developed in Ottawa – would complement and outline strategically and ideally with clarity the stakes and interests Canada has in this pivotal region.

A frequent critique from stakeholders and officials in the region is that Canada must make a more consistent and comprehensive approach that demonstrates an investment of time and capital that goes beyond merely trade and investment. Specifically, there is a need and desire – at least from most states – for a strong Canadian voice on political-security developments in the region, be it on maritime security, nuclear non-proliferation or the plethora of non-traditional security challenges facing the region. This is where the tenets, rules and values that form the basis of the emerging growth of Indo-Pacific frameworks will help Canada better serve its interests and promote its role.



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Canada must become more engaged in the region in order to both profit from the region’s economic dynamism while also ensuring its interests in the Indo-Pacific are protected by enhanced participation on political and security issues. As Canada’s former foreign minister John Baird (2012) once noted: “We cannot afford to be a spectator. We know we have a contribution to make in shaping the future of Asia and Canada’s role in it. We know that Canada must take an active role in this part of the world. It’s simply not a choice; it’s not an option; it’s a national imperative.” In sum, an antiquated “trade-first” strategy that downplays security challenges in the region is no longer tenable.

Canada is not alone in grappling with this challenge and it will be imperative to work ever more closely with partners such as the United States, Australia, New Zealand, Japan, the UK, the EU, as well as through emerging partnerships with India, ASEAN and so on. Canada often underestimates itself and its ability to build resiliency away from non-transparent markets, such as in China. The imperative to diversify to our like-minded partners in the Indo-Pacific has never been stronger. This moment of challenge has also brought clarity of purpose and it should be seen as an awakening to reorient and rethink about the nature of our partnerships and priorities in the Indo-Pacific, and build an appropriate strategy to underpin this new approach.

Up until this point, successive Canadian governments have failed to lay out a clear strategy for how Canada can develop a robust role in the Indo-Pacific.

Yet the world's future will likely be shaped in this crucial region. On one hand, the Indo-Pacific contains four of the world's five largest economies and over half of global GDP. On the other, it also plays host to some of the most significant challenges to the rules-based international order, including managing China's increasingly assertive behaviour, North Korea's nuclear weapons program, tensions between India and China, conflicts over freedom of the seas, and much more. The threats and opportunities emanating from the region present Ottawa with a compelling need to engage the region more substantively. Through stronger collaboration with allies and partners, there is an opportunity to transform Canada's role.

## Recommendations

In the coming months, as Canada refines its approach to the Indo-Pacific, it would be wise to keep the following in mind. First, Canada needs to clearly articulate what its strategic stakes in the region are and how, and with what partners, it can best defend and secure those interests. Relatedly, Canada must also carefully assess and attend to – as best possible – the needs, concerns and realities of its partners in the region rather than singularly focusing on how it wants to contribute.

The first step to protecting the interests of Canada and its key partners in the region is through the development of an Indo-Pacific strategy – one that outlines in clear terms the rules, norms, values and partnerships that will form the backbone of Ottawa's stake. This strategy need not be congruent with those released by other partners such as the United States, Japan, Australia or our allies in Europe – but it will undoubtedly share common values and themes including: the respect for maintaining a rules-based system in the region that prioritizes the peaceful settlement of disputes and follows international law, and is premised on open and fair trade and investment. This strategy should also prioritize the protection of inalienable human rights in the region and not discriminate on calling out of bad actors, regardless of their economic size or geopolitical heft.

Second, Ottawa should look at this opportunity to use this new strategic approach to ensure that it has the right bureaucratic organization to engage effectively in the region for the long-term. Global Affairs Canada (GAC) should remain the main broker for Canada's diplomatic engagements, but there will be a need for much deeper intergovernmental consultation and cooperation in order to effectively engage in the region. On this note, it is paramount that Canada consider appointing a high-level coordinator position on the Indo-Pacific. This role could sit either within GAC or potentially alongside the National Security Advisor in the Privy Council Office.

The creation of a coordinator role should not be confused with prior attempts to establish "special envoy" positions. The latter is more focused on tactical

issues and the position is meant to have a certain shelf-life. This new role should be viewed with more permanency and be seen as a key touchpoint to implement the Indo-Pacific strategy. The appointment of a coordinator role would provide a number of key benefits. First it would allow Canada to prioritize its engagement strategically through a defined post, rather than leave strategic engagement to senior bureaucrats at GAC, who are often overwhelmed by a range of bilateral and other regional priorities. Second, this new coordinator role would provide a natural interlocutor with key allies and partners, such as the US, Japan and Australia, which have already established similar positions.

A third recommendation would be for Canada to establish a deputy minister-led committee on the Indo-Pacific. This committee could be co-chaired by representatives of GAC, the Department of National Defence and also the newly minted Indo-Pacific coordinator. The establishment of a committee on the region is a natural follow through after the strategy and would further prioritize the urgency of the engagement to the broader intergovernmental community.

Fourth, with a strategy in hand, Canada should look carefully for opportunities that make sense for it to become more intertwined with the growing regional groupings. As noted earlier, this will include stepped up engagement in the current multilateral forums but also finding more opportunities to engage with minilateral partners. One example is to build off Canada's defence coordination with the US and Japan. In 2019, the two sides commenced a second round of bilateral naval drills dubbed *Kaedex* (*kaede* meaning maple leaf in Japanese). The Canadian navy also participates as a trilateral participant in the US-Japan *Keen Sword* naval exercises. Similarly, Canada has also been working with Japan, and other allies in the Five Eyes intelligence network, to help monitor and disrupt attempts by North Korea to evade sanctions over its nuclear and missile programs – through surveillance of ship-to-ship transfers in the East China Sea.

In conclusion, the adoption of an Indo-Pacific strategy is a useful and sorely needed move for Canada. However, such a strategy will only be as useful as it is articulated and fully implemented. It will be crucial for Ottawa to move with pace to make lasting commitments and have a greater presence in the region if it wants to protect its interests. Canada's Indo-Pacific moment has arrived; it is time for the government to recognize that fact and act on it.

# About the author



**Jonathan Berkshire Miller** is an international-affairs professional with expertise on security, defence and intelligence issues in Northeast Asia. He has held a variety of positions in the private and public sector. Currently, he is a Senior Fellow with the Japan Institute of International Affairs (JIIA) and Director and Senior Fellow of the Indo-Pacific Program at the Macdonald-Laurier Institute. Additionally, he currently holds

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