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The Asia Chessboard Podcast

“AUUKUS and Changing Dynamics in the Indo-Pacific”

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Andrew Schwartz: Welcome to The Asia Chessboard, the podcast that examines geopolitical dynamics in Asia and takes an inside look at the making of grand strategy. I'm Andrew Schwartz at the Center for Strategic and International Studies.

Hannah Fodale: This week, Mike unpacks recent developments in the US-Australia alliance, including the AUKUS agreement, with Rory Medcalf, professor and head of the National Security College at Australia National University. The two discuss the second addition to Rory's book, Indo-Pacific Empire: China, America and the Contest for the World's Pivotal Region, and how regional dynamics and geopolitics have changed over the past two years.

Michael Green: Welcome back to The Asia Chessboard. I am joined by a friend and colleague who has taught me a lot over the years, and will all of you listening I'm sure. Rory Medcalf runs the National Security College in Canberra. Rory, welcome. Good to have you on Asia Chessboard.

Rory Medcalf: Fantastic to be with you, Mike.

Michael Green: First thing, what is the National Security College? We got to figure that out first.

Rory Medcalf: So the National Security College is part of the Australian National University here in Canberra, which is a great institution. It's a university that was really established after the Second World War as a nation building exercise by the Australian government for research and for teaching. And the National Security College is special because we are a joint initiative between the university and the Australian government. Our mission, to put it in bureaucratic speak, is national capability uplift. And what that means is that we provide lot of the training, a lot of the professional development, a lot of the contestability of ideas for the Australian public service, especially the national security agencies. And that means, I guess, that in some ways we are a training and development center, in some ways we are an academic institution, we offer the master's and PhD program, but in some ways we are a bit like a think tank. We are really about contesting ideas both in the trusted space behind closed doors but also in the public debate in this country. It's an endless source of work, but great satisfaction in supporting Australia's national interests.

Michael Green: So it sounds like it's one part, the State Department’s Foreign Service Institute, one part, RAND, and one part, Georgetown School of Foreign Service. So you've been working on regional security issues most of your career, and Rory Medcalf's the one who, in my view, really popularized, if you will, or made part of the strategic lexicon, this term, Indo-Pacific. There's a Japanese... I don't know if you've seen it. There's a foreign ministry report on the roots of Free and Open Indo-Pacific, and it starts with you and the concept of Indo-Pacific. It's in Japanese. I cited it in a new book I have coming out.

Michael Green: But you've really been charging forward with this idea that we need to conceptualize, and it makes sense from an Australian geographic perspective,
the region as an Indo-Pacific. Our Indo-Pacific command has both the Indian and Pacific Oceans but it's not how Washington thinks. Historically it's not even how Japan thought historically. You've really pushed that forward. What got you into this space? How did you start thinking about geopolitics in Asia? Is this your academic training? Is it your love for geography? What explains how you got here?

Rory Medcalf: Look, it's principally professional. It was my early time in the Australian Foreign Service, or Department of Foreign Affairs and Trade, and following that our intelligence community, our Office of National Assessment, which is now the Office of National Intelligence. To be honest, those are the experiences that were really formative for me in thinking about the Indo-Pacific. Academically I am certainly interested in international security, but in fact, early on I was more focused on issues like political theory and conflict resolution in the Northern Ireland peace process in the early '90s. So I guess I had my own pivot to Asia when I joined the Australian Foreign Service in 1996.

Rory Medcalf: And pretty early on, working on ASEAN institutions, I was quite involved in Australia's early membership of the ASEAN Regional Forum and other ASEAN institutions. Very involved in our responses to nuclear testing in the region, which has its own interesting complexities. And then ultimately through a posting to India at the turn of the century, if I can now use that term, 2000 to 2003-

Michael Green: The turn of the last century not when Lord Curzon was making the grand strategy in Calcutta.

Rory Medcalf: Time can move slowly in Delhi, but the resonances of history are there in India. And in fact, people like Raja Mohan, a really good friend in India, who I think I met on my very first day on posting in Delhi in 2000, and who was very persuasive about, for example, the US-India relationship, those experiences.

Rory Medcalf: And then moving into the intelligence community and getting a big picture since 2003 to 2007 of the dynamic changes in our region. And especially the early signs that China was looking south, China was looking west, China was looking into the Indian Ocean. India was on the rise, and Australian officials during that time, including engaging with the United States, were really beginning to rethink our place in the region. All these things accumulated, Mike. And I guess by around, let's say 2007, I was an early convert to the idea that we needed to look at the region as a two-ocean system, the Indo-Pacific.

Michael Green: What was your account at ONA, at the Office of National Assessment?

Rory Medcalf: So I was a so-called senior strategic analyst, which gave me the ability to range pretty widely, really to join the dots between specialists analysis of defense and technology issues and geopolitical trends. It was a license to, I guess, interfere in the assessments of others, but by that account, it was also incredibly useful to
sit back and look at the trends in the region. And while many of us understandably were focused on the war on terror at that time, my brief was much more on great power relations. And so really, China, which I saw not necessarily through a China-centric lens but through the views of India, and Japan, Australia, of course. Noting as an aside that I’ve spent time in Tokyo seconded to the Japanese Foreign Service in 1999.

Rory Medcalf: All of those pieces came together for me to have the luxury of sitting back and taking a big picture look and saying, "What are the big changes here? What does China want in the region? How should Australia respond?" And then I was able to, if you like, transfer some of that accumulated understanding, hopefully not the classified stuff, to my career and think tanks subsequently.

Michael Green: ONA, now ONI, is an incredible asset for Australia. I spent a week there several years back at the invitation of Andrew Shearer when he was director. And in fact, I have one of the last folders that says ONA because the week I was there they switched names to ONI. But what an credible repository of both expertise and strategic analysis. Big enough to have deep expertise on China on military issues but small enough to cross-pollinate and integrate all those independent assessments for the government. A real asset. There are very few governments that have that. We have the National Intelligence Council, which is in some ways comparable but has a mission integrating all our intelligence services. That’s pretty time consuming. ONI is an incredible asset for Australia.

Michael Green: So you took the declassified parts and your own experience and put it into Indo-Pacific Empire: China, America and the Contest for the World's Pivotal Region. And the second edition is just now coming out two, three years after the first edition. What's new? What's different from the first one? Why should people buy the second edition?

Rory Medcalf: Good question. I’m not here purely for ruthless commercial purposes. I’m sure you know that selling books on international affairs is not to prepare for your retirement. But look, I published the first edition of this book actually just before COVID, which was not necessarily a bad thing because I was able to tell that long arc of the region's evolution into an Indo-Pacific system over, I would say, at least the past 20 years without being too focused on the present day challenges.

Rory Medcalf: But the new edition, which has just been released, is really about bringing us up to speed with the events of the past two years. And although those events are seared into everyone's memory and experience now, the impact of the COVID-19 pandemic, China's wolf-warrior diplomacy, China's increasingly confrontational behavior with countries from Australia to India and beyond, the turn of the Biden administration towards, I think, a pretty clearly Indo-Pacific strategic agenda, which I think is very welcome, the interest of the Europeans one way or another in the Indo-Pacific. All of these are elements that I pick up in the new edition of the book.
Rory Medcalf: I guess what struck me, what frankly surprised me to some extent is how the impact of the pandemic last year and this year has not fundamentally changed the strategic dynamics of the Indo-Pacific, which I argue are very much about China’s bid for dominance for hegemony and the pretty mixed but nonetheless genuine pushback from others, but in fact the impact of the pandemic has accelerated those dynamics. The region is actually more Indo-Pacific now than it was two years ago, and that's something about which I had an open mind when COVID first hit.

Rory Medcalf: So look, the new edition of the book is, as with the first one, meant to be a primer, not necessarily for the specialist who knows it all but certainly for policymakers, for students, for journalists, and general public. But it’s also a primer that now brings us almost to the present day. Although I would hasten to note that the new edition was released or went to print, I should say, just before the AUKUS announcement, and so there's going to have to be another one in due course.

Michael Green: It's the fate of good writers to know enough about trends to end up writing big books just as those trends hit a critical juncture like AUKUS. Let's talk about AUKUS actually. The Australia, UK, US agreement announced by Prime Minister Morrison, President Biden, and Prime Minister Boris Johnson of the UK. Big ambitious plan to build nuclear powered submarines based on probably the US Virginia-class and the Royal Navy Astute-class. Big complicated, but I think his historians will probably look back and see this as one of the most important turning points in Australia's strategic history and relationship with the US. My impression was that AUKUS was largely an Australian initiative, but what's your take on the origins and significance of AUKUS?

Rory Medcalf: AUKUS, and just to emphasize, that not only, of course, is very nuclear-powered submarine a component to AUKUS but there's the ambition for much broader tooling of critical technologies among the three countries, I think both to civilian and ultimately military purposes as well.

Rory Medcalf: Look, AUKUS in my sense was primarily an Australian initiative. It was about meeting Australian strategic needs in a rapidly changing geopolitical environment where, frankly, Chinese power and coercion have accelerated even more quickly than, I guess, people like me may have anticipated. But thankfully it takes three to tango. And AUKUS clearly is of value strategically to the objectives of the United States. I think it's of value to the United kingdom as well. I suspect their friends in Britain are still unpacking a lot of what that opportunity actually means for them.

Rory Medcalf: But I would not dwell so much on the origins of AUKUS, I would look very much at what next. I think my reaction when I awoke on the morning that AUKUS was announced, although I guess details were revealed through some pretty heavy journalism the night before in Australia, and I would say that that was the journalist doing not the government’s, but my initial reaction when I saw the AUKUS announcement was, "We had better be serious." I mean, it's a big deal.
It's momentous. It's crossing a Rubicon in various ways, including the impact on relations with France.

Rory Medcalf: But it's now an exceptional opportunity, for Australia in particular, to get serious about deterrence and capability with a very long-term frame. We're talking 20 years plus. For the hard work begins now. And that's one reason why, and despite all of the controversy we are experiencing at the moment with our friends in Paris, I think the focus of governments and our three capitals, United States, Britain, and Australia really needs to be, how do we operationalize AUKUS as comprehensively and quickly as possible.

Michael Green: We should talk about what operationalizing this means in terms of technology transfer integration of our defense industrial bases and our doctrine and a lot of things, but first on the politics and geopolitics. I looked at AUKUS and my first thought was, "China lost Britain and Australia." I mean, eight or 10 years ago the debates in Canberra and London were very, very different. If China had wanted to drive a wedge strategy between two of America's closest allies, the UK and Australia, they had that opportunity because of economic interdependence, the resource extraction and exports from Western Australia, China's penetration of Britain's tech market and 5G, and Beijing blew it.

Michael Green: Although former Prime Minister Malcolm Turnbull and some people are critical, it seems like the Australian Labor Party and the political classes and the public in general are behind the prime minister. Is that right? Is this a gamble politically for Morrison or does this reflect the trajectory of thinking in the broader Australian body politic about China and the US and the whole strategic problem?

Rory Medcalf: I'll be happy to break that to a few chunks because there's so much to cover there. I'll go back a little bit the first principles, if you like, and then move to the bipartisanship that I think we do have on the fundamentals of AUKUS in this country despite the political and diplomatic controversies.

Rory Medcalf: Going back to the book, I had two objectives in writing the book. One was to tell that genealogy of the Indo-Pacific as an idea, but an idea of strategic value. I'm fascinated by the history. I'm fascinated by the topography of the region. All of that. But it only matters if it's about providing a framework for policy. And so the two stories I wanted to tell in the book, one was that we are living in a much more integrated two-ocean system. A system which actually suits a country like Australia because we can start building wider coalitions, balance Chinese power and protect our interests. And incidentally Australia is unequivocally part of this region. Secondly, because this is the regional system as well as the global system in which China is trying to project power and influence and really making, as the title of the book suggests, in some ways a quasi-imperial quest for the dominance.

Rory Medcalf: I wanted to tell our stories partly to build on the research and thinking I've done for many years but partly also to help shape the debate in a country like
Australia or in a country like Britain. I guess what's surprised me is how quickly the debate has shifted. And I suspect that people like me probably didn't need to lift a finger for that to happen because China has done the hard work for us in many ways. The debate has shifted profoundly in Australia, Britain, and elsewhere. Only five years ago, and I think Britain was still in the EU then, I would have looked at Europe and said, "What's the hierarchy of European powers that have misgivings about China?" And I actually would have put France above Britain in that list five years ago. And in some ways France is still high on that list, but we can come to the diplomacy bit later on. But Britain has had the real sea change.

Rory Medcalf: Five years ago, our friends in London were talking about a new golden age with UK-China relations. I suspect the British diplomats telling you that never quite believed it but that was the line. And it was all commercial and it was all upside. It was nothing about human rights. Nothing about coercion. Huawei was a trusted vendor and so forth.

Rory Medcalf: The Australian experience actually, I think, helped change that for Britain. Australia's experience of China's interference and coercion over the past five years has been such a wake up call for so many democracies in particular but for many countries. The United States at varying degrees or processes, whether it was under the Trump administration in its sort of ragged and often confrontational way, but nonetheless some of the strategic settings that colleagues like Matt Pottinger were driving made sense. The Biden administration gets it in principle that China is this competitor, and more that it's a strategic struggle. All of these factors, I think, have fed into a much broader awareness across the region and globally that we are in for a long contest with China. The final chapter of the book is about how do we manage that contest in ways that lead neither to capitulation nor to all out conflict.

Rory Medcalf: As for the AUKUS role in all of this, there is at one level of pleasing degree of political bipartisanship in Australia. The leadership of the Australian Labor Party were briefed on AUKUS. I don't think they were thrilled with the briefing occurred at the 11th hour, but they were briefed and they were briefed on, if you like, the strategic and military dimensions of this. It wasn't a political fix.

Rory Medcalf: Public opinion is really interesting on this issue. There's always been an assumption that Australians are allergic to all things nuclear, and therefore we would never countenance nuclear propulsion in our submarine fleet, even though it has always been the technology we need to match our massive distances in our strategic geography. Well, the poll's in and it suggests that in fact most Australians are comfortable with AUKUS even on the left. The Greens party of Australia, their leader has condemned AUKUS is creating a fleet of floating Chernobyls, but I don't mince words there for political purposes, but the polling suggests only a minority of Greens voters actually agree that AUKUS will make Australia's strategic environment less safe.
Rory Medcalf: That's good news, but government in my view in Australia now has to double down on this bipartisanship and be careful not to use AUKUS as some sort of divisive political instrument because governments will keep changing in this country. AUKUS is going to require at least six governments over the years or decades ahead to have bipartisan buy-in, and we need that bipartisan buy-in in Australia, in Britain, and the United States for this strategic endeavor to work.

Michael Green: You said something just now that really caught my attention, if I heard correctly, that Britain's change in mood was in part because of what London saw happening to Australia. The coercion by Beijing, the economic boycott. I don't think most Americans think in those terms, we think of our ability to convince Britain we are right about China or not. And I think what you're telling me is, in some ways, what Australia experienced resonated with the British strategic community and political leadership in pretty powerful ways. Did I hear that right?

Rory Medcalf: Look, I think so. I mean, I'm not underestimating the role of American diplomacy in this but I do think that the Australian experience would have helped our friends in London to genuinely empathize. I don't mean that in a soft way but actually to put themselves in Australia's shoes and to look at what it's like to be a significantly weaker or smaller power than China and be subject to China's determination to make us pay or suffer in some way. I think that the Australian experience decided to effectively shut our way out of our 5G networks a few years ago, really substantial decision taken in, I think, August, 2018. And the fact that Australia's cyber security and SIGINT community got that advice right and that was advice that was frankly contrary to what I understand the British government was hearing from its own community at that stage really resonated.

Rory Medcalf: If you look at the language coming out of the British parliament, it tends to be a lot more determined, resistant, unequivocal on China than some of the language coming out of Australia's parliament. So quietly, Britain has looked to Australia as the Canarian coal mine, as some have said, on Chinese coercion, influence, and interference, and those old bonds have consequently been renewed among our countries.

Michael Green: That's fascinating. An aspect of Chinese coercion people don't pay enough attention to. I would say a similar thing has happened with Japanese, Taiwanese, and to some extent Korean, empathy towards what happened in Hong Kong, a society that they can relate to and understand and have visited. So really intriguing.

Michael Green: You said the poll show most people don't think Australia's paid a strategic price for AUKUS, I think that's right. How would you assess the impact on Australia's influence in relations with Indonesia, Japan, India, and other key partners? You've done, I know, at the National Security College extensive series of 1.5 track dialogues, including with us at CSIS, but with partners around the world, I don't know how much AUKUS came up, but what's your sense of the impact of AUKUS on Australia's strategic partnerships?
Rory Medcalf: It's still a little early to tell the full impact. And again, the onus really now is on our diplomatic effort to ensure that we consistently, patiently get the message through that this is a net benefit for regional security, it's a net benefit for our partners. That a stronger Australia is actually good for them. I think only yesterday I was telling colleagues in Indonesia that Australian governments for many years wanted to see a stronger Indonesia as a friend to us.

Rory Medcalf: The diplomacy of AUKUS is nonetheless awkward. There's no question of that. We are recording this a day after the French ambassador gave a rather searing speech at the National Press Club here in Australia, clearly a very calculated intervention, although I'm not sure if it's going to shape the debate here at all. I think it's rather just going to leave a bit of a lingering taste, and we do want to patch that relationship up as best we can.

Rory Medcalf: Going back to the polling, it's not that Australians necessarily think that we're not paying a price for AUKUS, but at least when that polling was taken a few weeks ago we considered the price to be worth it. And moreover, we considered that from the perspective of our strategic environment, power balances, the risk of conflict, or Australia's ability to defend itself. AUKUS will be a net benefit even if that takes time.

Rory Medcalf: I don't think that judgment will change, but I do think with an election coming up in Australia early next year, it's going to be interesting to watch the politics of AUKUS. I mean, one of the criticisms made at the moment is that our prime minister was less than truthful or less than candid of everything he may have communicated to the French president over this and it's possible that our opposition will use that because, of course, there are domestic political issues where they can also accuse him of not always being candid. But that's not the point. As far as I'm concerned in the strategic debate here, whoever is in government in Australia next year will own AUKUS, will carry it forward, and that's why getting the diplomacy right is really important.

Rory Medcalf: And I do think that ultimately the attitudes of Indonesia, Japan, India, those are going to count much more for us than the aftershocks in French politics. The regional response. I mean, I think Japan, India have been quite supportive. Japan openly so. India quietly so. Vietnam quietly so. Philippines openly. Singapore quite openly, which I think is really refreshing. Indonesia and Malaysia are somewhat more challenging without going too much with the confidence of the various dialogues they've been involved in. My sense is that the questions and the observations that strategic specialists and policy makers, including ministries, make in a lot of these countries, much more understanding of Australia's position than some of the media headlines you read or the political remarks.

Rory Medcalf: Now, this doesn't mean that we've won ASEAN over. I mean, ASEAN on all strategic issues in the Indo-Pacific related to China's power remains the diplomatic terrain where we have to focus our efforts, not to necessarily compel ASEAN to align, but to ensure that ASEAN or certain ASEAN countries are not co-
opted by China. But I think on balance Australia is receiving a receptive audience in most of these countries once we can particularly cut through some of the misconceptions that this is somehow about Australia harboring nuclear weapons ambitions, which obviously it's not.

Michael Green: Getting back to the book before we finish. Two hotspots that are much hotter since the first edition of the book are the Himalayas, Ladakh, the clash between India and China, which happened after, as you were going to press last time, and Taiwan, which you mentioned in the first edition but which is a much more menacing problem and one that really is driving dialogue between US, Japan, and with Australia. How do you take account of those two developments in the book or as you watch them unfolding today?

Rory Medcalf: India-China first. And in fact, I do devote quite a lot of attention in both editions of the book to the India-China relationship, and I guess because some of my socialization in the regional security dynamics was through an India prism early this century. I've studied the history of India-China relations pretty closely. I try to make sense of that in the book. And it's very clear that not only has India mistrust of China never gone away. Remember in '98, some of us didn't take India seriously when its government claimed that China was the approximate reason for India's nuclear tests, and frankly we'd see the world through a much more Indian prism now than we did 20, 25 years ago. But China has comprehensively lost the next generation or two of Indians, and we are talking therefore the world's largest young population through its coerciveness on the disputed border. Its unwillingness to treat India as anything like a civilization law or sovereign pier in the region.

Rory Medcalf: The violence happened last year, the Galwan Valley bloodshed, but we had already seen through the way China has tended to bully India in its Indian Ocean neighborhood. India's in for its own long contest with China. And my book really just updates that, particularly in terms of the border violence, to say that India is now serious about Quad. India is very serious about leveraging its relationships with the United States and countries like Australia and Japan to make itself more capable of defending its interest against China across the Indo-Pacific. And that's frankly all we need from India.

Rory Medcalf: My take on Taiwan, again, one level is kind of obvious. Of course tensions have escalated. The book was already looking at the Chinese interference in the Taiwanese elections sometime ago. Cyber activity, increased pressure, leverage, coercion. But the focus on Taiwan is a fresh point I'm still a little bit careful about. I see extreme pressure escalating over the years ahead. I still make a few judgments in the book about the reasons why, even under this leadership, China would be foolish to make an all-out assault. I do think that we need to be looking much more actively now to how we can treat Taiwan as a partner in the Indo-Pacific without crossing those thresholds to state recognition. How we can treat Taiwan as what it is. An integral part of the regional economy, a democracy that its people want the need to flourish, and how we can help
Taiwan really protect itself in all of those circumstances, short of war, partly in order to deter that kind of conflict.

Michael Green: Pretty significant developments in the two years between your two additions. Putting you on the spot a little bit, if you do a third edition in a couple years, do you expect this geopolitical competition to accelerate? How much more dangerous will things be when you do the next edition, let's say, in 2024 or so?

Rory Medcalf: Well, I do think we are in for literally a long struggle. And it's hard to find the right English language terms to describe the new condition of the region because in some ways a competition is too benign. Struggles perhaps do not have rules. War certainly do not have rules. So again, I do see that we're in for a long struggle. It's very difficult to see ways that we are going to wind back without China coming with the Chinese leadership. Or perhaps one day a different Chinese leadership coming to its own realizations of the folly that it's embarking on. And that's why I do play a lot with the imperial metaphors and metaphors of imperial overstretch in my book, and not as metaphors but the history of empires across the Indo-Pacific, all of which have found ultimately that this is a region too large and complex to dominate.

Rory Medcalf: So I don't see good news on the horizon, but I also... And not quite as convinced as some analysts that there is some, if you like, grand Chinese master plan for dominance of the region. I think dominance is the objective. I think hegemony would be the consequence. But I think in many ways this is almost an automatic imperative of the kind of system that the Leninist type in China, especially under its current extreme form, is trying impose. External assertiveness, even coercion, even aggression, as something of a requirement for maintaining absolute control domestically.

Rory Medcalf: And so we are in a dangerous window but I would still suggest that events are going to drive some of China's behavior more than a grand plan. And that's actually where agency resides for others, including for the middle powers. The last thing we need to do is to accept without question this idea that time is on China's side, that China is going to dominate every crisis and effectively map the future.

Michael Green: I'm with you on that. I think we can to some extent shape China's strategic choices. And the most important thing we have to start with is the right mental map, and the right mental map is the Indo-Pacific, and you had a lot to do with people thinking in those terms. The book you describe as a primer but I think for specialists as well who are used to thinking in their own careers about Northeast Asia or Southeast Asia integrates the Indo-Pacific in ways that are really useful for specialists too. So congrats on the book. Thanks for joining us. We look forward to the third edition. Hope it is a happier scenario, but we'll be ready to read your third edition whatever world we are in.
Rory Medcalf: Mike, that's very kind, and just a reminder for your listeners that the black swan is an Australian creature, so whether that's good or bad... And not all black swans are bad I should note.

Michael Green: Terrific cultural and Antipodean ending note for us. Thanks very much, Rory.

Rory Medcalf: Thank you so much, Mike. It's been great to be on the show.

Andrew Schwartz: Thanks for listening. For more on strategy and the Asia programs work, visit the CSIS website at csis.org, and click on the Asia program page.

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