Australia’s View of Europe in Indo-Pacific: Potential for Balance

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Australia’s view of Europe’s potential role in the Indo-Pacific is changing rapidly, driven by what Canberra views as a rapidly deteriorating strategic environment. Australia wants to help maintain a favourable balance of power in its near region – generally defined to include the Eastern Indian Ocean, Southeast Asia, and the Pacific.\(^1\) This concern has driven Australia to re-evaluate the role that Europe can play in the region, making them more important partners. This re-evaluation has seen the Indo-Pacific become a central focus of Australia’s key bilateral relationships with European countries, including with the United Kingdom, France, Germany, and the European Union (EU). Even so, this cooperation remains in its early stages. Canberra will need to be clear-eyed in evaluating the potential of Europe as a balancer of growing Chinese regional influence in Asia. And while both Canberra and European partners share the goal of a peaceful, prosperous, and resilient region, approaches diverge in some areas, meaning that cooperation will not be frictionless.

Background

Canberra traditionally has tended to see its relationships with European countries and those in the Indo-Pacific as existing on two separate tracks. Even as recently as 2017, Australia’s Foreign Policy White Paper described the importance of Europe to Australia primarily in terms of the rules-based international order and global issues, including terrorism, weapons proliferation, human rights, and sustainable development.\(^2\) Correspondingly, the White Paper makes no special mention of European partners in the context of Australia’s approach to the Indo-Pacific.

Over the past five years, there has been a shift to “mainstream” relationships in Europe, especially with France, Germany, the United Kingdom, and the EU, within Canberra’s overall Indo-Pacific-centric foreign policy


agenda. This shift is seen in official statements and discussions between Australia and these partners. For example, the joint statement from 2016 ministerial consultations between Australia and Germany addressed strategic issues in the Asia-Pacific as only one of several topics, whereas the statement from the 2021 ministerial consultations suggested a much more focused discussion on Indo-Pacific cooperation, an agenda also reflected in the Enhanced Strategic Partnership between Australia and Germany announced at the meeting.

Likewise, the Indo-Pacific was a clear central focus in several high-level Australian dialogues with Europe over the past year. The June 2021 Australia-France 2+2 ministerial consultations described the two countries’ strategic partnership as promoting an open and inclusive Indo-Pacific region, while Australian Foreign Minister Marise Payne framed her December 2021 visit to Brussels in the context of Australia-EU cooperation in the Indo-Pacific. At the January 2021 Australia-United Kingdom Ministerial Consultations (AUKMIN), cooperation in the Indo-Pacific substantially rose to the top of the agenda when compared to the group’s last meeting in 2018.

This shift is driven by both “push” and “pull” factors: Australia is “pushed” by its strategic circumstances to seek partnerships from capable countries further afield, and “pulled” by a change in European countries’ own approach to the Indo-Pacific and relations with China.

Australia is “pushed” to seek greater European involvement in the Indo-Pacific by its concerns that the balance of power is being eroded by China’s regional revisionism and growing assertiveness. For the past two years, China has punished Australia for its policies, such as excluding Chinese vendors from Australian 5G networks, calling for an enquiry into the origins of COVID-19, and criticising China’s human rights record. This punishment has included a freeze in diplomatic relations – Australian ministers have been unable to contact their Chinese counterparts for around two years – and trade sanctions, effectively banning the import to China of several important Australian exports. These actions have predictably sharpened Australian threat perceptions at both the official and public level. A 2021 polling by the Lowy Institute showed the majority of Australians now see China more as a security threat than as an economic partner.
At the regional level, Australia’s 2020 Defence Strategic Update was unusually explicit in its articulation of various concerns, in particular about the pace of military modernisation in the region; the potential for the establishment of new overseas military bases in the region; and “grey zone” coercive activities that undermine sovereignty, institutions, and existing habits of cooperation. The document also concluded that the risk of high-intensity conflict, while still low, was growing, and that Australia could no longer assume a ten-year strategic warning time for a major conventional attack on the homeland.\(^\text{12}\)

Australia’s search for global partners in the Indo-Pacific, however, is not driven by concerns about China alone. It is also driven by an increasingly open acknowledgement that the United States is no longer the peerless regional hegemon that it once was – and, in the words of one former Australian defence minister, cannot maintain deterrence alone.\(^\text{13}\) As a result, Australia’s approach increasingly has shifted away from one which counts on US primacy, and towards the goal of maintaining a “favourable balance” – that is, a region in which China’s influence is matched by a loose coalition of like-minded “balancers.” This rationale explains Australia’s enthusiasm for the Quad, a diplomatic grouping comprising the United States, Australia, Japan, and India, as a way of showing shared willpower among four influential regional countries.

Yet, Australia’s coalition-building strategy is broader than the Quad alone. European countries – with their economic weight, global commitment to a rules-based order, and well-established bilateral ties with Australia – are logically located high at the top of any Australian foreign minister’s call sheet.

The growth in Australia-Europe Indo-Pacific cooperation also has been driven by major European countries’ growing recognition of the challenges posed by China to the regional and global order, and of the importance of a shifting balance in the Indo-Pacific to their own security and economic interests.

Seen from Australia, Europe’s growing focus on the Indo-Pacific is evident in both official statements and concrete actions. The European Union adopted a September 2021 Joint Communication on an Indo-Pacific strategy,\(^\text{14}\) reflecting a push by heavyweight members for the EU to step up in the region.\(^\text{15}\) The United Kingdom’s 2021 Integrated Review included a framework to guide the “UK’s Indo-Pacific tilt.”\(^\text{16}\) The UK also has become a dialogue partner to ASEAN, conducted extensive ministerial travel to the region, applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and sent its Royal Navy Carrier Strike Group 21 to the region for a seven-month deployment in 2021.\(^\text{17}\) Germany adopted its own Indo-Pacific guidelines\(^\text{18}\) and deployed its frigate Baye to the Indo-Pacific, intended as the first of a biennial naval


deployment to the region. As a resident power in the Pacific, France’s own regional presence is deeper and more persistent than other European countries. Yet France, too, has made recent concrete statements and commitments demonstrating a fresh focus on the region, for example, revealing the deployment of a nuclear-powered submarine to the South China Sea.

**Next Steps**

While both “push” and “pull” factors make it natural for Australia and Europe to explore cooperation in the Indo-Pacific, many questions remain about the scope and ultimate impact of this effort. In considering next steps, Australia should consider three questions. What new resources will European countries bring to bear in the Indo-Pacific? When and how should Australia and European countries coordinate or combine efforts in the Indo-Pacific? Are there any risks or costs associated with greater Australia-Europe cooperation in the Indo-Pacific?

**Will Europe Bring New Resources to the Indo-Pacific?**

Whether European countries will bring significant new resources to bear in the Indo-Pacific will only be clear over time and will vary by country and issue area. This makes it challenging to assess the impact that Europe may have on future trends in the Indo-Pacific. For Europe, the Indo-Pacific is necessarily one of several global priorities, as reflected in the language of the EU Strategy for Cooperation in the Indo-Pacific. The United Kingdom’s Integrated Review explicitly states that the “bulk” of the UK’s security effort will remain focused on the Euro-Atlantic area. Yet to shape the regional environment and promote deeper security cooperation, European countries will need to devote significant additional resources to maintain a regular presence in the region, well beyond the prominent inaugural naval deployments made by Germany and the UK in 2021.

Outside traditional security cooperation, European countries may have greater potential for influence, for example, in providing development assistance and markets for exports from the region. Europe already diversifies smaller countries’ economic relationships, promoting resilience and avoiding dependence on any one partner alone. One potential area for increased European involvement is support for regional connectivity through the development of traditional and digital infrastructure. The European Union’s EU-Asia connectivity strategy, existing partnerships with Japan and India, and the US-led “Build Back Better World (B3W)” initiative all provide avenues for Europe to make enduring commitments to high-quality infrastructure development in the Indo-Pacific.

**Areas for Greater Cooperation and Alignment between Australia and Europe in the Indo-Pacific**

As European countries’ role in the Indo-Pacific grows, several opportunities for greater practical cooperation and alignment with Australia present themselves.

1. **Cooperation on Institutional Engagement**

First, Australia can help facilitate European countries’ greater involvement in existing regional institutions and groupings. While European countries for the most part remain outside Indo-Pacific multilateral institutions, Canberra has been an active and committed member of the regional architecture, making this a natural synergy for cooperation. For example, Australia has welcomed the United Kingdom’s application to join the CPTPP.

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The choice by the two countries to replicate many principles of their bilateral free trade agreement on the CPTPP will also help facilitate the UK’s entry into the CPTPP.

Australia could potentially go further in this facilitative role. Canberra long has been unsupportive of new members joining the East Asia Summit (EAS), regarding potential members such as the EU and Canada as likely to dilute the potency of the group as a forum for strategic dialogue. More recent Australian policy statements have been softer, noting only that Canberra does not “advocate” for a membership expansion, likely because membership decisions are made by ASEAN as the convener of the meeting. Canberra should re-evaluate this long-standing position and ask whether the likely weak prospects for the EAS to convene genuine strategic dialogue among existing members outweigh the potential benefits of harnessing European interest and attention towards the region.

This facilitation can work in both directions. For instance, the UK prioritised major Indo-Pacific countries including Australia, India, and South Korea as additional invitees to its June 2021 Cornwall G7 Summit. The UK also convened an ASEAN-G7 foreign ministers meeting in late 2021, a move it said reflected the UK’s interest in working more with ASEAN.

2. Defence and Security Cooperation

Second, Australia could seek to deepen security and defence cooperation with European partners. It is already doing so with the United Kingdom through the AUKUS trilateral arrangement with the United States. Under this arrangement, the three countries will work to assist Australia to acquire nuclear-powered submarines and deepen cooperation on cyber capabilities, artificial intelligence, quantum technologies, and additional undersea capabilities. The UK’s own Defence Command Paper also cites the potential for increased cooperation with Australia, especially on defence industry and intelligence.

Apart from the UK, France is the most logical partner for security cooperation with Australia in the Indo-Pacific. Because of its own French territories in the Indian Ocean and Pacific, it has a direct stake in the future security of the region. And it has backed up these interests in multiple ways, including its own regular naval deployments to the Indo-Pacific, substantive cooperation with the region’s major players (Australia, Japan, and India), and through its participation in regional minilateral groups such as the “Pacific Quad” and Australia-India-France trilateral. Australia’s September 2021 decision to pursue nuclear-powered submarines through the AUKUS arrangement, at the expense of its contract with the French Naval Group, damaged bilateral relations with France. Given France’s importance in its own right, and as a force behind the EU’s approach to the region,
Australia’s cooperation with Europe in the Indo-Pacific will not reach its full potential until the Australia-France relationship is repaired.

3. Capacity-building Cooperation

Third, Australia and European countries could consider scope for cooperation on capacity-building issues, especially in Southeast Asia. European countries are already large aid donors in many of the strategically important countries in Southeast Asia, often far outstripping Australia’s own relatively modest aid budget. For example, in Indonesia, Germany’s development assistance is around three times that provided by Australia. In Vietnam, both Germany and France together spend around seven times more than Australia. Yet there may be scope for European countries to better leverage development assistance for influence, for example, in providing technical advice on investment, infrastructure and technology issues, maritime security capacity-building, or in supporting regional adherence to international law. On these issues, it would be logical for Australia and European partners to share their experiences, deconflict, and resolve efforts.

Risks and Costs of Greater Australia-Europe Cooperation in the Indo-Pacific

Australia should not assume that increased cooperation with European countries is without risk or cost. Any increased investment in ties with Europe, for example, through ministerial or official travel and dialogues, has a cost, especially when Australia’s diplomatic resources are already thinly stretched.

More importantly, Australia has long sought to cultivate a distinctive diplomatic personality in the Indo-Pacific, which does not rely on caucusing with other western countries, but instead prioritises close ties with regional countries, including those in Southeast Asia. This is reflected in Australia’s approach to human rights issues in the region, with Canberra typically preferring to raise human rights issues in private, in the hope of achieving greater influence, rather than issuing public statements and adopting sanctions.

For example, in 2020 the European Union withdrew preferential access for Cambodian exports in response to the Hun Sen regime’s suppression of human rights and democratic freedoms. By contrast, Australia’s Foreign Minister said Australia “[judged] constructive engagement to be more likely to influence positive change than punitive measures.” Likewise, in response to the February 2021 military coup in Myanmar, the EU has imposed several rounds of targeted sanctions. By contrast, Australian foreign ministry officials have argued that Australia’s interests are best served by seeking direct influence, rather than imposing sanctions.

Similar divergences exist in relation to human rights abuses in other Southeast Asian countries, such as in the Philippines and Thailand.

These diverging approaches reveal a difference in outlook between Australia and Europe. While Australia shares EU concerns about human rights issues in the Indo-Pacific, it worries that allowing human rights concerns to affect its bilateral ties with regional countries could risk ceding ground to China, as Beijing raises no
such objections. Such divergences may have broader impacts: such as in 2020, Sweden ceased to provide development assistance to the Cambodian government, shifting its focus to partnering with civil society on human rights, democracy, and rule of law issues.\(^{33}\) By contrast, much of Australia’s assistance continues to be delivered through Cambodian government ministries.\(^{34}\)

Australian and European approaches to China and the United States also are likely to diverge at times. While Australia and Lithuania have found common cause as two countries both subject to China’s economic coercion,\(^{35}\) this will not be so with every European country. Some European countries are more cautious than Australia about endorsing the United States’ more confrontational approach to relations with China. As the fallout from the AUKUS announcement demonstrates, Australia also will need to navigate potential competition among European countries. For example, the UK 2021 Integrated Review sets the goal of becoming the European country with the broadest and most integrated presence in the Indo-Pacific by 2030.\(^{36}\) From Australia’s perspective, it would be preferable if the UK benchmarked success by its impact on the regional balance, rather than in the context of competitors in Europe.

Conclusions

Australia’s embrace of Europe is natural and will likely continue. Even so, it is not clear that Australia has conducted yet a thorough and objective assessment of the potential impact of this new cooperation with Europe. The contribution that European countries will make in maintaining a favourable balance in the Indo-Pacific remains to be seen.

Ms. Susannah Patton wrote in her personal capacity. The views and interpretations expressed by the author are solely her own.

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