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*Report – Public Talk*

## “Australia’s Perspective on the Indo-Pacific: Challenges and Opportunities”

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The Centre for Strategic Perspectives (CSP), Institute of Strategic Studies Islamabad (ISSI) organised a Public Talk at its Ambassador's Platform titled "Australia's Perspective on the Indo-Pacific: Challenges and Opportunities," on May 26, 2021. H.E. Dr Geoffrey Shaw, Australian High Commissioner to Pakistan was the guest speaker on the occasion. The talk was moderated by Mr. Najam Rafique, Director CSP at ISSI.

In his welcome remarks, **DG ISSI, Ambassador Aizaz Ahmad Chaudhry**, thanked the High Commissioner for accepting to give a public talk on an important subject which is of growing importance for Pakistan in fact for all the world. Australia is an especially important country and Pakistan has had a long-standing relationship with it. Australia established diplomatic relations with Pakistan almost right after independence so this is a great treasure for Pakistan. Pakistan and Australia have linkages of commerce, trade and many other areas and a growing Pakistani diaspora about 100,000 strong. The subject that High Commissioner has chosen which is Australian perspective of the Indo-Pacific is very apt, topical, current, and important. The Prime Minister of Pakistan, Imran Khan, while addressing 26th international conference on the future of Asia in Japan via video link recently said, "the Asia-Pacific region including the Indian ocean should become a zone of peace an area of expanding cooperation and prosperity through strict adherence to the principles of UN charter and the Bandung principles of peaceful co-existence." One notable development in the Indo-Pacific has been the formation of the Quad comprising the US, India, Japan, and Australia, operating more actively since 2017, which has been attributed in the analyses published to be in a grouping aimed at containing the growing Chinese assertiveness in the Indo Pacific region. The first phase of Malabar naval exercises held in November last year in the Bay of Bengal was also considered a first major Quad collaboration in the Indo-pacific area. Pakistan hopes that the direction is not away from the goal of making Indo-Pacific a zone of peace. Pakistan believe China's Belt and Road Initiative (BRI) has been a conduit of connectivity with numerous countries giving a promise of prosperity to many. China Pakistan Economic Corridor (CPEC) is a flagship project of the BRI and has generated economic activity and employment in Pakistan and Pakistan hopes that it will enhance bilateral and regional trade. Another important topic is Climate Change which is a serious issue for both countries, and both can have collaboration on this issue.

**H.E. Dr Shaw**, in his speech said he greatly values the role that ISSI plays in contributing to policy dialogue both here in Islamabad and across the region. This is certainly a fascinating region - Pakistan is indeed at the intersection of so many geostrategic and geopolitical currents. Australia has a longstanding relationship with Pakistan. It established diplomatic relations with Pakistan after partition and have had a resident mission in the country since 1948. Its first High Commissioner to Pakistan was appointed in 1949. The bilateral ties include shared Commonwealth heritage, a federated democratic system of government, a long history of defence cooperation, similar climate and water challenges, diverse populations, not to mention a shared passion for cricket. The people-to-people links stretch back to the 19th century when cameleers opened-up much of central Australia. Now more than 84,000 Pakistanis call Australia home. Indeed, today Australia is a multicultural society, with a population based on immigration from over 200 countries. One in four Australians are born overseas. Australia takes pride in its ethnic, cultural, and religious diversity, with for example more than 600,000 Muslims, along with peoples from many different faiths, making Australia the vibrant society it is today.

Australia acknowledges the ongoing challenges faced by Pakistan in managing its more immediate strategic environment, especially Afghanistan at this time. Australia shares Pakistan's view that an Afghan-led political settlement is needed. With the withdrawal of the US-led NATO forces now in train the role of Pakistan and regional countries will be even more critical going forward to supporting peace in the region. H.E. recognised the impact Pakistan has suffered from the ongoing conflict in Afghanistan including sacrifices made by the Pakistan Military in countering terrorism within Pakistan's borders and acknowledged Pakistan's generosity in hosting refugees from Afghanistan over many decades.

Moving to Australia's perspective on the current strategic environment across the Indo-Pacific Dr Shaw, said that Australia's perspective stems from its geography between the Indian and Pacific Oceans. It is a way of thinking about its neighbourhood, a region home to Australia's most important economic partners, a region that it shares with Pakistan. So, for Australia, the Indo-Pacific is a term here to stay and will remain a key focus of its foreign policy.

It is clear the world is currently experiencing the most consequential strategic realignment since World War II and the Indo-Pacific is at the heart of this evolving dynamic. The region has been

the engine room of global growth for the past two decades, accounting for over 60% of global GDP, a significant share of global trade and investment, is home to the fastest-growing economies and some of the worlds' busiest shipping lanes but, it is also a region witnessing rising tensions.

Geostrategic competition between major powers is driving regional dynamics, and this will remain the case for the foreseeable future. Such competition has many dimensions but is increasingly focused on the stability and character of the regional order in the Indo-Pacific. International rules and the multilateral system have underpinned the unprecedented period of global peace and prosperity that we have witnessed for the past 70 years and are, therefore, of enormous importance to all countries. But what Australia is seeing is pressure on rules, norms and institutions that is more acute, and tensions over territorial claims that are escalating. Attempts to erode the global rules-based order introduce greater unpredictability in the region. Nations are increasingly employing coercive tactics, including cyber-attacks, foreign interference, and economic pressure. Tactics that seek to exploit the grey zone between peace and war to challenge sovereignty and habits of cooperation. Threats to human security, such as Covid-19 and climate induced natural disasters, only exacerbate these challenges as do existing transnational threats, such as terrorism and extremism. In short, leaders and policy makers are navigating an increasingly complex and uncertain strategic landscape.

Australia wants to see an Indo-Pacific that is open, inclusive, and resilient, underpinned by rules, norms, and respect for sovereignty, a region based on fairness and predictability where countries work together respectfully and constructively to tackle the diplomatic, economic and security challenges that we currently face in a way that benefits the common interest where disputes are resolved through dialogue in accordance with international law and without the threat or use of force or coercion. Australia's 2017 Foreign Policy White Paper sets out a vision and commits Australia to proactively work through partnerships to shape an inclusive Indo-Pacific region. Australia will be true to its values and principles, and respectful of rules and norms that promote good governance, uphold human rights, and empower women and minorities. Australia knows that a stable, secure neighbourhood of sovereign states, in which it has networks of familiarity and trust, are good, safe places for its people to live and thrive.

Dr Shaw highlighted one example of why international rules matter in the maritime domain. As a trading nation, the Indian Ocean is extremely important to Australia in terms of its regional connectivity and economic security as approximately 42% of its exports by value traverse the Indian Ocean.

Therefore, Australia has a substantial interest in the stability of international waterways and the norms and the laws that govern the sea, particularly the UN Convention on the Law of the Sea, freedom of navigation and unimpeded trade. Pakistan as a key Indian Ocean littoral state has been active in safeguarding free and open waters, including through its long-standing commitment to the Combined Maritime Force.

Furthermore, PM Khan has made clear that leveraging regional connectivity to increase trade is a cornerstone for enhancing Pakistan's economic security. The needs for stable and resilient trade and investment pathways – including maritime pathways - will only grow in importance as the region looks to recover from Covid. Promoting and protecting blue economies and upholding international law is, therefore, of critical importance to both Australia and Pakistan, and we will collaborate to address challenges in the maritime sphere, such as narcotics trafficking, illegal fishing, and piracy.

Dr Shaw then looked at some emerging trans-boundary challenges that are impacting on human security, starting with climate change. He noted that PM Khan has described climate change as a key challenge for Pakistan. As one of the driest continents on earth, Australia shares this challenge. People have traditionally seen climate change acting as a threat multiplier but with climates warmer now than any time in human civilization, at an accelerating rate, climate change is bringing global systematic change, deepening fragilities within societies, straining institutions, and causing conflict over basic resources such as food and water. The UN estimates 155 million people around the world are experiencing hunger because of conflict, extreme weather, and economic shocks. The latest UNICEF report *Water under Fire* highlighted the stark reality that for children, the lack of clean water is far deadlier than violence in war-torn countries. For the vulnerable who face challenges on several fronts, the impacts on human security for both present and future generations are profound. Prioritising water governance and food security, therefore, need to be part of national security policy and planning. But ultimately, the trans-boundary

nature of these challenges makes cooperation between States essential through the UN framework, by working together through regional mechanisms, and through bilateral cooperation.

Australia has been a long-term supporter of Pakistan's development, and has stood with Pakistan in times of crisis. This is a partnership-based approach, putting the livelihoods and dignity of individuals and communities at the centre. The two countries have been cooperating on water and food security issues since the 1980s. Australia provided humanitarian support in the aftermath of the 2005 earthquake and the 2010 floods and in the wake of Covid-19, it provided support to the Pakistan Government's pandemic response including to help provincial governments procure ventilators and PPE and set up nutrition centres in cities where Covid-19 has increased malnutrition. In the face of unpredictable climate patterns and the cross-cutting impacts on human security, new and innovative forms of cooperation are needed. Both countries have experiences to share, lessons from mistakes made and successes achieved. That is why Australia has, for example, supported the installation of flood warning systems in Gilgit-Baltistan, helped thousands of farming households in Balochistan increase their crop yield while using less water and launched two new programs to address water challenges in both urban and rural communities.

There is no limit to the partnerships that can form organically from knowledge exchange and business-to-business, including through investments in new, green technology as the world looks to decarbonise.

For its part, Australia is reducing its emissions and investing in low emissions technologies that drive economic growth. Australia remains committed to the Paris Agreement and is on track to beat its 2030 target, having reduced emissions by almost 17 % since 2005.

Another emerging challenge that Dr Shaw briefly touched upon was cyber governance. He said that in FM Qureshi's words, "frontiers are being pushed in new domains such as outer space, cyber space and in the field of artificial intelligence" Digitisation and the online world are increasingly woven into people's lives. Today, people do more of their daily activities online than ever before, and the global pandemic has only accelerated this trend. Digital technologies, such as artificial intelligence, robotics and telecommunications will play a critical role in driving

economic recovery post Covid-19. They will be essential to creating new products, markets, and industries. According to the World Economic Forum, an estimated 70 % of new value created in the economy over the next decade will be based on digitally enabled businesses. Nor is the digital economy constrained by distance or geography. It is truly a global market. And peoples increasing connectedness to the online world will outlast the pandemic and remain vital for how they work and interact with each other well into the future.

Digital technology and the digitisation of the economy is, therefore, a priority for the Australian Government. That said, the same digital technologies that offer so much potential, if misused, can also pose risks to national interests, including prosperity, social cohesion, and national security. Critical technologies can also be used by non-state actors to plan cyber or even kinetic attacks against governments and communities. Global losses from cybercrime are now estimated to total over \$1 trillion, more than a 50% increase from 2018. That is why Australia is engaging with the world to establish more robust digital trade rules. It wants to make it as easy as possible for its aspiring businesses to trade across borders, for data to flow freely between nations, and for Australians to participate in a safe and secure online world. Australia wants to see new domains, such as cyberspace, governed by international law that reinforces stability, supports openness, and facilitates trade and innovation. Australia believes the values it applies to the physical world should apply to the digital world. Creating the right environment is not something that any one nation can do alone. It is essential that the international community, including governments, industry, and civil society, work together to harness the benefits of the digital economy for everyone. In March, the international community, through the UN Open-ended Working Group, resolved that state contact in cyberspace is bound by agreed norms and existing international law, affirming a set of principles under which rules that govern cyberspace will be written and upheld for the benefit and protection of all.

Dr Shaw said the idea – that people live in a globalised world where all their biggest challenges are common challenges – is clear again when it comes to human rights and gender. Human rights are fundamental to human security. They underpin peace and prosperity. Men, women, and children have the right to fundamental freedoms and to live their lives with dignity. Respect for human rights matters, not just from a values perspective, but from an economic and security perspective. Australia, therefore, is committed to advancing human rights globally. This

commitment reflects who Australians are, their national values and is an underlying principle of Australia's engagement with the international community. Australia has worked with Pakistan as a member of the UN Human Rights Council from 2018-20 and congratulates Pakistan on its re-election for the 2021-23 term. Australia believes in promoting strong national human rights institutions, protecting freedom of expression, freedom of religion, tolerance and inclusion is fundamental to social cohesion in diverse societies like Australia and Pakistan. Australia has been working with Pakistan in many of these areas, with a focus on practical measures that build institutional capacity. For example, working with civil society experts to help support, judges, police, and prison officials to protect the rights of prisoners who are mentally ill.

Advancing gender equality and women's empowerment at home and abroad is a core priority for Australia and is championed at the highest political levels- Australia's Foreign Minister, Marise Payne, is also the Minister for Women. Australia takes seriously its commitment under UN Security Resolution 1325 to advancing the Women, Peace and Security agenda. An agenda that promotes gender equality, protects the human rights of women and girls, and works to secure their full, equal, and meaningful participation in peace and security processes. Women and girls are not on the side-lines of conflict or mass social dislocation. They are often the most affected, experiencing unequal access to food, healthcare, education, and justice - and too often experiencing gender-based violence. Upholding human rights and advancing gender equity breaks the cycle of conflict and supports peace. The UN Secretary-General's 2018 report *Securing our Common Future* emphasises the importance of including women in disarmament and arms control decision-making processes to ensure more effective and sustainable policy outcomes. He was, therefore, pleased to see the announcement this week of the appointment of the first female Deputy Military Advisor to the UN Under Secretary General for Peace Operations. Australia was one of the first UN member states to develop a National Action Plan on Women, Peace and Security, and launched its second National Plan in April 2021. The Action Plan is focused on how people effect changes in the rapidly changing, complex security environment that we face today. In Pakistan, Australia supported the launch a network of women peace builders at universities across KP. The initiative encourages more women to study and work in national security. Putting women's agency at the front of peace and security is a commitment Australia shares with Pakistan and it congratulates Pakistan on its efforts, which have almost doubled the number of women in its UN peacekeeping forces.

Before concluding, Dr Shaw commented on the Quad, what it is, what it is not, and what it is trying to do to correct misconceptions and misleading narratives. Australia's foreign and security policy is multi-layered, bilateral, mini-lateral, regional, and multilateral. It will seek out partnerships to shape the region and address challenges of the day, and the Quad is one such initiative. It started in 2004 as a humanitarian response to the devastating tsunami and that positive agenda has continued through to today whether on health security, climate change, maritime security, humanitarian responses or critical technology. It is a diplomatic network of four democracies, each with its own perspectives, committed to supporting an open, resilient, and inclusive region. A region where competition flourishes under international law, not just power. He said the Quad is not a military grouping. It is not an Asian-NATO style alliance. It is not seeking to expand, militarise or deny any country its legitimate interests in the region. Rather it is like other mini-lateral initiatives like the China, Afghanistan and Pakistan Trilateral Dialogue or the Shanghai Cooperation Organisation. Initiatives that serve as a platform for dialogue, coordination, and practical cooperation. The Quad is not about containing any one country or, indeed, balancing great power competition, rather, it has a positive, practical agenda to support regional partners to respond to pressing regional challenges.

The Quad is an important pillar of Australia's foreign policy, and complements bilateral, regional, and multilateral engagement. The Quad recognises ASEAN centrality in the region and other regional architecture, such as the East Asia Summit, the ASEAN Regional Forum, and the Pacific Islands Forum. Each with an important role to play in supporting regional peace, security, and prosperity. The positive agenda of the Quad was evident in the outcomes of the first-ever Quad Leaders' Summit, which took place on 13 March. The four leaders sent a strong message of their support for a sovereign, resilient and stable region, and outlined a positive work program that included the launch of an innovative Quad vaccine partnership to accelerate the region's path out of Covid. A partnership that aims to produce and distribute at least 1 billion vaccine doses by the end of 2022.

In conclusion, Dr Shaw offered some final observations and said that Australia's foreign policy is guided by its values as a liberal democracy, the rule of law, human rights, economic and religious freedom, racial and gender equality, independent institutions, international cooperation, and robust engagement in bilateral, regional, and multilateral processes. Australia's goal is to

work with partners to grow a region that is open, inclusive, and economically resilient, governed by international law. Pakistan and Australia are both vibrant, robust democracies. And as democracies, their strength is their openness to people, ideas, capital, goods, to improving the system. Free trade and connectivity are critical to their prosperity. Economic security is national security and national security is multi-layered, whether its fighting extremism, promoting human rights, protecting the environment, or ensuring health security.

The opportunities and challenges presented over the horizon of the shared strategic future faced by Australia and Pakistan cannot be addressed in isolation nor outside the current rules based international system. Nor can both – in this globalised world – pursue respective core interests to the exclusion of strategic realities.

In a world where trans-boundary challenges are only increasing in character and impact, the paradox exists in which countries cannot, acting alone, secure their nations' sovereignty. Rather, sovereign states need to work together to address the myriad of traditional and emerging challenges people are facing.

Strong partnerships will be key to this, partnerships like that which Australia has with Pakistan remain ever more important.

**The Question-and-Answer Session was moderated by Director CSP, Mr Najam Rafique.**

**Q1: How do you see the major power competition between US-China evolving from the Indo-Pacific region, and what can Australia do to make sure this becomes a source of positivity rather than negativity?**

Dr Shaw said yes, we are seeing major power competition, but it does not have to be a zero-sum game. There is a need to ensure it remains at the level of competition, where disputes are resolved peacefully through dialogue in accordance with international law. Australia has relations with both US and China - as does Pakistan - and wants a relationship with both the US and China. There will be areas where countries agree, and areas where they disagree or have different views on how to tackle an issue. We need to identify areas of collaboration. Climate change is an obvious example where international cooperation is needed and there are opportunities.

**Q2: In terms of India how do you see its Hindutva policy regarding minorities and human right violations in IOK, and can Australia play a role in addressing this heavy-handed approach of Modi Government?**

Dr Shaw said he was pleased to see February's agreement between Pakistan and India to strictly respect the ceasefire along the Line of Control. It is a positive step, especially to protect vulnerable civilians living in the region. Australia urges respect for human rights by all countries, and raises this bilaterally, regionally, and multilaterally. In its representations, Australia raises the human rights of all people, including minorities. Australia will continue to raise human rights and urge restraint. To ease Pakistan India tensions, both sides need to sit down around the table and negotiate.

**Q3: How do you see the future of multilateralism under President Biden?**

Dr Shaw said effective multilateralism is critical. Global issues need all parties to work together. It can be hard to negotiate and find an agreement that everyone can live with, and Dr Shaw mentioned his experience in Geneva, New York, and Vienna. There is a need to make sure multilateralism is effective and efficient. Dr Shaw added that we need to work closely with and support technical agencies like the IAEA. Australia also strongly supports the terrific work of UN agencies in Pakistan, such as WFP, and noted Australia's support to the UNFPA on maternal health.

**Q4: What is Australia's view on the one-sided coverage of human rights violations that took place during the recent Palestine-Israel conflict?**

Dr Shaw said that during the Palestine-Israel conflict, Australia consistently, throughout the crisis, called for de-escalation, and for all leaders to take immediate steps to halt the violence. Australia wants to see the two sides come back to the negotiating table, and supports a two state solution through negotiation.

**Q5: How is Australia looking at the situation in Afghanistan and what does an unstable Afghanistan mean for the world as a whole?**

Dr Shaw said that Australia remains committed to Afghanistan and peace in the region. Australia's commitment was demonstrated by the visit to Kabul by Australia's Foreign Minister Marise Payne on 10 May. Australia will continue to deliver its development and humanitarian commitments to Afghanistan made in Geneva in 2020, which includes a commitment of \$200 million for the 2021-24 period. Dr Shaw appreciated the expertise on Afghanistan that resides at ISSI.

**Q6: Will Pakistan have an equal opportunity like the ASEAN countries to obtain a Free Trade Agreement (FTA) with Australia?**

Dr Shaw said that the current two-way trade between Australia and Pakistan (around \$1.84 billion) is not sufficient to warrant an FTA at this time, but if Australia did see significant growth, then a FTA is something that could be considered. He was pleased with recent announcement allowing the export of mangoes to Australia. Dr Shaw said Australia wanted to see a regulatory environment that is predictable, open, and fair. Australian companies wanted to engage but find it difficult to do business in Pakistan due to bureaucratic red tape and non-tariff barriers. He encouraged Pakistan to improve the ease of doing business and for the business community and government to work together to achieve this. There is also a need to make better use of innovative technologies- e.g., virtual meetings, especially when Covid means that borders remain closed. Increased trade could contribute to generating jobs in Pakistan and progressing Pakistan's economic security agenda.

**Q7: How does Australia perceive the BRI/CPEC?**

Dr Shaw said that Australia is not opposed to BRI/CPEC, if it involves mutually beneficial cooperation. He added that Australia recognises the infrastructure needs here in Pakistan. Dr Shaw said Australia has been a long-term partner of Pakistan, working with Pakistan on food security and human security. Australia has lessons to share, experience in managing the impacts of climate change, and has been working with Pakistan to manage water scarcity since 1980s.

**Q8: What are the shared lessons that both countries can learn from dealing with climate change?**

Dr Shaw said that water scarcity is a particularly pressing issue. Australian scientists worked with Pakistan to develop a modelling tool to help determine the allocation of water flows from the Indus River. Australia has also helped to develop climate smart crops in Balochistan – crops that use less water and have an increased yield and developed a way to measure soil salinity so that crops can be chosen that match the soil salinity. Businesses need to work together on new, green technology, low emissions technology – in Australia businesses are out in front in developing these technologies.

### PICTURES OF THE EVENT

