

CANADA'S RETURN TO EAST ASIA: RE-ENGAGEMENT THROUGH MARITIME DIPLOMACY¹

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KEY POINTS

- To rebuild its reputation in the region, Canada should support its East Asian re-engagement efforts through maritime defence and cooperation endeavours, which would improve the region's strategic stability and foster economic growth.
- Canada should strengthen maritime exchanges in East Asia, including joint exercises with Chinese and other regional navies, and partner with East Asian states to build coast guard capacity through tabletop exercises, personnel exchanges and training exercises.
- Drawing on its own diplomatic experiences, Canada should foster dialogue in the East Asian region on cooperative living and non-living resource management in disputed waters.



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INTRODUCTION

After a decade of neglect, the Canadian government is prepared to re-engage East Asia, particularly China. Adding a maritime component to Canada's re-engagement efforts would help mitigate threats to the strategic stability that makes economic growth possible and build Canada's prestige in the region. Recognizing that re-engagement must go beyond bilateral economic issues, Canadian policy makers are seeking to deepen Canada's regional diplomacy. Canada has signalled its support for regional institutions by acceding to the Association of Southeast Asian Nations (ASEAN)'s Treaty of Amity and Cooperation in Southeast Asia (TAC) (Job, 2010). In an effort to reverse early missteps in Canada's relationship with China, Canadian Minister of Foreign

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Affairs John Baird declared in 2011 that “my government gets it” before departing for a visit to China and to attend the ASEAN ministerial conference in Bali (Perkins and Hoffman, 2011). At the 9th ASEAN-Canada Dialogue in June 2012, Baird pledged CDN\$10 million to fund various ASEAN initiatives.

Nevertheless, the region still perceives Canada as a fair-weather Asia-Pacific country that only seeks to establish the basic elements of trade and investment relations to diversify its trading partners. According to then ASEAN Secretary-General Surin Pitsuwan, Canada’s admission to the region’s leading economic and defence forums — the East Asian Summit (EAS) and the ASEAN Defence Ministers’ Meeting (ADMM) — remain out of reach until Southeast Asian states are convinced of the durability of Canada’s re-engagement (Clark, 2012). As it is widely accepted that “process matters in an Asia Pacific context...contributing as well as receiving is important,” Canada should round out its economic re-engagement strategy with contributions to regional peace and security (Asia Pacific Foundation of Canada, 2012: 12).

Maritime diplomacy contributes to regional peace and stability by addressing urgent problems, such as those affecting trade and fishing in East Asian waters. The region relies heavily on these sectors for growth, but is afflicted with numerous maritime and territorial disputes that are negatively impacting them. By adding maritime diplomacy to its economically oriented regional re-engagement strategy, Canada signals its determined return to the region, building the reputation that it requires for membership to East Asia’s premier institutions. This could, in turn, pave the way for closer economic ties with East Asia. As Canada has no military forces permanently deployed to the region, no formal treaty allies and limited bilateral trade relationships,

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maritime diplomacy is the optimal means to convey its long-term commitment to the region. Above all, Canada's strategy must transcend the electoral cycle; relationships are built in East Asia over the long term.

MARITIME PROBLEMS IN A MARITIME REGION

Canada's return to East Asia is occurring during a strategic transition in the region. After 60 years of stability that underwrote unprecedented economic prosperity, East Asia is undergoing a strategic shift, as the United States re-evaluates its global strategic commitments at a time when China seems prepared to assert itself. American primacy in East Asia is being questioned as a function of its domestic financial woes and the legacy of fighting two wars in the Middle East. Despite China's positive contributions to East Asian regionalism and free trade, concerns abound over its ambitions for disputed maritime areas, coupled with the lack of transparency in its military spending. Although US President Barack Obama announced an unambiguous foreign policy shift from the Middle East to Asia in November 2011, there is no doubt that the American presence in the region will be different than it has been (Obama, 2011; US Department of Defense, 2012). All signs point to a United States that leans more heavily on its allies to share the burden of military responsibility. At the 11th International Institute for Strategic Studies (IISS) Shangri-La Dialogue in Singapore, US Secretary of Defense Leon Panetta pledged to keep 60 percent of the US Navy forward deployed in the region, the most clear outline of US forces structure "rebalancing" in East Asia (2012). This amounts to an effort to reassure regional states of the credibility of the US presence in the region.

Amid this strategic uncertainty, China has asserted its maritime claims in the East, and the South China Sea in particular, with unprecedented vigour. Chinese coast guard vessels patrol disputed waters more frequently and have enforced China's claimed jurisdictional rights against civilian and military vessels from Japan, Vietnam and the Philippines. This has resulted in a number of dangerous armed confrontations at sea. Lurking in the background is the increasingly capable and active People's Liberation Army (PLA) Navy. Recent Chinese behaviour is widely viewed with apprehension, and threatens to divide East Asia. Indonesia, which is not a party to a maritime boundary dispute with China, lodged reservations with the United Nations in response to ambiguous Chinese claims to the South China Sea. Japan, which has typically avoided comment on Southeast Asian maritime security concerns for fear of alarming both local and Chinese sensibilities, has reversed course and moved to support Southeast Asian states that are party to disputes with China, such as the Philippines. Furthermore, regional meetings have become staging grounds for diplomatic confrontations over Chinese activities at sea. Former US Secretary of State Hillary Clinton reminded the ASEAN Regional Forum (ARF) that "legitimate claims to maritime space in the South China Sea should be derived solely from legitimate claims to land features" (2010). Chinese Foreign Minister Yang Jiechi reacted angrily, calling the remarks an "attack on China" ("Foreign Minister Yang," 2010). Most recently, Cambodia, which occupied the rotating chair of ASEAN in 2012, was pressured by China not to include any mention of maritime tensions in the final communiqués of ASEAN-centred meetings.

As a state that seeks to capitalize on East Asia's economic dynamism, Canada should concern itself with these challenges to regional peace and security because they threaten to undermine the economic dynamism

upon which its regional interests are predicated. This strategy, however, needs to be carefully calibrated to avoid alienating China, with whom Canada has only recently resuscitated relations. Furthermore, maritime diplomacy will fail if China perceives Canada to be an extension of the United States.

THE CASE FOR MARITIME DIPLOMACY

Maritime diplomacy is the best way forward for Canada because it is instrumental to Canada's broader regional strategy. It builds on Canada's long-standing track record in the region and it adopts a role familiar to regional states. Building confidence is Canada's legacy in East Asia. Canada has a long and quite successful track record of Track-Two diplomacy on non-traditional security issues in East Asia (Evans, 2009), through efforts such as the Canadian International Development Agency's support of the Indonesian-hosted South China Sea dialogues in the early 1990s. These were important confidence-building measures, representing the only set of meetings where all claimants were present, particularly at a time of escalating tension (Djalal and Townsend-Gault, 1999). Canada's role as an honest broker in the proceedings is evidenced by the fact that the Chinese were on record as preferring Canadian funding to US- or Japanese-funded workshops (Snyder, Glosserman and Cossa, 2001: 2; 13). Conversations in the region reveal an expectation that Canada's re-engagement will carry some of these elements with it.

Contributing to regional peace and security will build Canada's regional prestige, which supports the deeper institutional engagement that Ottawa is pursuing. Although the East Asian diplomatic calendar can be burdensome, these meetings drive regional decision-making processes. As then US Assistant Secretary of

State for East Asian and Pacific Affairs Kurt Campbell has suggested, "These institutions, these regular meetings, tend to drive the process inside government" (Campbell, 2012). Similarly, Canadian Minister of National Defence Peter MacKay attended the 2012 IISS Shangri-La Dialogue to support Canada's bid for an invitation to the ADMM Plus; a more active regional engagement strategy could open doors to the region's primary institutions. By leveraging its credentials as a maritime state as a member of the ARF's Maritime Security Working Group, Canada increases its standing in East Asia. This could, in turn, create momentum for Canadian participation at the next ADMM Plus meeting, which has its own maritime security working group.

Maritime diplomacy and deeper institutional engagement bring closer political ties and, over time, improved relations to support Canada's regional economic objectives. Canada has been long-time supporter of the Asia-Pacific Economic Cooperation (APEC) forum and is pursuing membership in the related Trans-Pacific Partnership. ASEAN-centred trade liberalization has long existed alongside APEC initiatives, but has historically excluded non-Asian states (Stubbs, 2002). By paving the way for membership in institutions like the EAS, Canada gains a window into the ASEAN-centred process of regional trade liberalization including trade, finance and regulatory discussions. This also supports its efforts to pursue bilateral trade agreements with East Asian economies.

POLICY RECOMMENDATIONS

Maritime diplomacy deliberately goes beyond Canada's Track-Two legacy; East Asian states have mastered the "habits of dialogue" (Dewitt, 1994). In an era of growing naval spending and numerous maritime flashpoints,

the region is in need of inclusive security cooperation that builds transparency between navies and coast guards. Canada is already deepening military ties with the region, through, for example, its discussions with Japan towards an Acquisition and Cross-Servicing Agreement, and is negotiating access to military facilities in Singapore. These will support Canada's proven record of humanitarian assistance and disaster relief (HADR) within the region, evidenced in Sri Lanka in 2004, and offered to Myanmar after Cyclone Nargis in 2008. The proposals outlined below are deliberately ambitious and are designed to spark debate about their suitability and feasibility in the context of strained budgets.

Given Canada's previous track record as a trusted bridge builder between China and other states, naval engagement could be one component of maritime diplomacy (Adams, 2012). China's efforts at defence diplomacy have increased in the past decade, creating opportunities for more frequent and in-depth Sino-Canadian defence exchanges. Both countries participate in the Western Pacific Naval Symposium and Council for Security Cooperation in the Asia Pacific. Given that direct military exercises between the United States and China are banned by US law, there may be an opportunity for Canada to conduct its own bilateral exercises with China; Australia has already done so. In September 2010, the Royal Australian Navy conducted an exercise with the PLA Navy in the Yellow Sea, which included live fire drills, search and rescue (SAR) operations and joint helicopter missions. The Australian Defence Force has also conducted a HADR exercise with the PLA. More ambitiously, Canada and Australia could work together to foster regular naval interaction with China, and bring in new partners over time. This effort would build on the steady stream of Canadian naval port visits to the region since 1995, and build ties in

advance of China's participation in the 2014 Rim of the Pacific (RIMPAC) Exercise. The ideal geographic focus of this engagement would be the western Pacific Ocean, but a more economical alternative is the Indian Ocean where many of these potential partners are engaged in anti-piracy missions.



Frigate HMCS *Ottawa* (FFH 341) at RIMPAC 2012. Source: Royal Canadian Navy.

If deeper naval links are too politically sensitive, coast guard cooperation is an alternative avenue that is valued in East Asia. For instance, despite their often acrimonious relationship, Chinese and Japanese coast guards have conducted three SAR exercises together in an effort to build confidence (Shen and Chen, 2011). Canada, China, Japan and South Korea are members of the North Pacific Coast Guard Forum (NPCGF), which coordinates efforts among members to address maritime security challenges. Canada could reach out to other nations, such as South Korea and Japan, who are interested in conducting joint exercises, exchanges or tabletop exercises with Chinese coast guards. Canada already has close working relations with both the South Korean and Japanese coast guards through its membership in the North Pacific Anadromous Fish Commission, which promotes conservation of anadromous fish stocks in the North Pacific. Like Canada, East Asian states confront the challenge of

policing a large exclusive economic zone with limited resources, thus Canadian expertise and lessons learned are likely to be appreciated.

Canada could also contribute to coast guard capacity building in Southeast Asia. Japan trains a number of Philippine and Indonesian officers at its Coast Guard Academy. Canada could partner with ASEAN states to assist these capacity-building efforts, which could involve Canadian vessels in theatre or simply educational exchanges. Canada could also explore regional interest in the establishment of a Southeast Asian equivalent of the NPCGF. The United States, China and Japan have all used maritime security capacity building as part of their efforts to contribute to regional security in Southeast Asia.

Finally, Canada could foster dialogue on cooperative resource exploitation in disputed areas. Although the marginal utility of Track-Two dialogues in East Asia is on the decline due to their proliferation and a reduction in earnest participation by Chinese participants, they are not entirely without value. Canada could lead discussions toward a regional fisheries management organization for Southeast Asian waters. Similarly, Canada could share its experience in maritime boundary delimitation and resource development in disputed waters. All East Asian claimant states have rhetorically committed to this idea, but have been unwilling to share jurisdiction in contested areas. In one attempt, the Joint Marine Seismic Undertaking agreement, Chinese, Vietnamese and Philippine oil companies collaborated in exploration activities in a disputed area of the South China Sea. Although the agreement collapsed due to domestic opposition in the Philippines, this initiative was the deepest cooperation witnessed among the South China Sea claimants, and merits resuscitation with Canadian support.

CONCLUSION

While maritime diplomacy is an ambitious re-engagement strategy for Canada, two potent counterpoints are worth considering. Because Canada is familiar with European security issues and pan-Atlantic security institutions, such as the North Atlantic Treaty Organization, it could be argued that it is ill-equipped to involve itself in matters of East Asian security. East Asia is home to a different set of multilateral structures that operate under different rules. In this view, the proposals herein risk alienating important economic partners, such as China. Canada should, therefore, limit its East Asian engagement to economic issues while leaving strategic questions to those countries directly affected. For instance, taking a stand on Chinese threats to freedom of navigation in the South China Sea risks alienating China for little strategic gain (Manicom, 2012).

An alternative perspective advocates adopting a “whole-of-country approach” to re-engagement that seems out of touch with Canada’s history, ongoing priorities and capacity (Asia Pacific Foundation of Canada, 2012: 13). Australia, often cited as a model for Canada’s Asia policy, has doubled-down on the Asian Century by pledging to strengthen its Asian literacy (Government of Australia, 2012). However, Canada is not Australia and will always have important links with the Americas and with Europe.

By contrast, maritime diplomacy offers a more modest, if ambitious, route by building on Canada’s past contributions to regional security and leveraging its capacity to contribute to stability in East Asia, which supports its regional economic aspirations.

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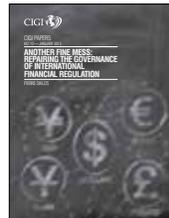
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