

Workshop Report

29 September 2011

Strategic Objectives of the United States in the Indian Ocean Region

Summary

The strategic objectives of the United States in the Indian Ocean region reflect a paramount national objective that is underpinned by a broader foreign policy outlook. That outlook is, in turn, influenced by a number of core regional and country-specific objectives, by Washington's perception of what might be threatening those objectives and how it will seek to curtail or eliminate those threats.

As the location, among other things, of much of the world's energy supplies, key trade routes, the incipient Sino-US and Sino-Indian rivalries, a belligerent Iran committed to a nuclear programme of uncertain purpose, Islamist extremists, and a number of failed and failing states, the Indian Ocean region will, in the coming decade, command the attention of US policymakers and strategists in a way that will be matched by few other regions. At this point, however, just what capabilities will be allocated to the region remains unclear.

US foreign policy, particularly as it relates to the Indian Ocean region and, especially India, Pakistan and China, can be summarised in the following hierarchy of core objectives. Two important points must now be noted. First, in the US, as in many other countries, domestic and foreign considerations can be highly interlinked and foreign policy announcements can sometimes be designed primarily with a domestic audience in mind. Second, the United States' current economic circumstances will have ramifications for foreign and defence policy for some time to come. Finally, despite the increasing importance of the Indian Ocean region, no single region-wide policy exists as yet. It is a state of affairs which is not confined to the United States. As the US Defence Department's 2010 *Quadrennial Defence Review Report* noted, 'An assessment that includes US national interests, objectives, and posture implications would provide a useful guide for future defence planning.'¹

¹ *Quadrennial Defence Review Report*, February 2010, Department of Defence: Washington DC, pp. 60-1.

Paramount National Objective

- Maintaining the economic and military pre-eminence of the United States within the existing rules-based international order.

Primary Foreign Policy Objectives

- Ensuring continued US primacy in the international system.
- Using diplomacy, co-operation, partnerships and foreign aid to ensure support for US interests and the international system in general.
- Ensuring the security of US interests and assets.
- Preventing “rogue states” from threatening US interests.
- Reducing or eliminating the activities of dissident groups or individuals and any foreign support they may receive, particularly al-Qaida.
- Ensuring the continued availability of, and access to, resources and markets.

Indian Ocean Objectives

- Ensuring that US objectives are not jeopardised by states such as China and Iran.
- Preventing new or established extremist groups from harming the interests of the US or allied Indian Ocean littoral states.
- Ensuring that US policy is supported by a network of diplomatic relations with which to secure trade relations, military co-operation and influence.
- Ensuring continued access to markets, energy supplies and raw materials.
- Ensuring the security of maritime chokepoints and sea lines of communication (SLOCs).

Specific US Foreign Policy Objectives for Key Actors in the Indian Ocean Region

China

- Working with China as appropriate to maintain regional and global stability (but not at the expense of US interests or strategic dominance).
- Encouraging Beijing’s continuing commitment to the international system which has generated China’s economic rise.
- Engaging in confidence building measures with the Chinese military, but also acting to contain Chinese military expansionism (actual or perceived).

India

- Deepening strategic ties with India and supporting it as a counterweight to China.
- Encouraging India as a pro-Western regional power.
- Encouraging India’s “Look East” policy and greater involvement with East Asia.
- Ensuring Indian support for a continued US presence in the region.

- Gaining increased access to India's markets and banking sector.

Pakistan

- Supporting secular, democratic governments to ensure a stable, more prosperous Pakistan with a pro-US outlook.
- Working with Islamabad to:
 - Deny Pakistan as a base for extremist groups.
 - Disrupt, dismantle and defeat al-Qaida.
 - Increase the Pakistani Government's ability to meet the needs of its citizens, thereby reducing the appeal of extremists.
- Preventing extremists from gaining access to Pakistan's nuclear arsenal
- Ensuring that extremists in Pakistan are unable to undermine US efforts in Afghanistan (and vice-versa).

Afghanistan

- Supporting Afghanistan as it attempts to make the transition to a stable, democratic economically successful state.
- If necessary, keeping Afghanistan as "quarantined" as possible to prevent instability from spreading to neighbouring states.

Iran

- Preventing the development of an Iranian nuclear capability.
- Containing the spread of Iranian influence.

Indonesia

- Encouraging Indonesia as a bulwark against Chinese expansion in South-East Asia.
- Supporting Indonesia's growing role as a regional leader and using it as a possible means of securing influence in South-East Asia and the Muslim world.
- Securing the sea lines of communication through the Indonesian archipelago, particularly in support of important US allies such as Japan, Taiwan and South Korea.

Australia

- Maintaining Australia as a key regional partner and ally.
- Working with Australia to address threats to the international system.
- Ensuring that Australian policies are sympathetic to US interests, particularly in regard to China.

US Indian Ocean Region Interests

The overarching US aim for the Indian Ocean region is for strategic pre-eminence, rather than dominance. The United States aims – as Hilary Clinton has noted – to be pushed out of East Asia by nobody; that sentiment will apply equally to the Indian Ocean region, even if policy approaches to the region are still being worked through and force levels and budgets are currently uncertain. The US may leave Afghanistan, for instance, but it won't leave the region because it is too important to the United States' national interests (and neither do the majority of states in the region want it to leave).

On the other hand, creating a single Indian Ocean policy would be immensely difficult, particularly in view of the many different agencies and bureaux that are responsible for various aspects of policy in the region. There is a certain degree of inertia to be overcome if an Indian Ocean policy as such is to be crafted. An all-encompassing Indian Ocean policy thus looks to be some way off yet.

Other key Indian Ocean objectives are to maintain the international order in a way which best suits the US, to internationalise the protection of the international order, and to ensure the flow of energy supplies across the region's sea lines of communication and through its chokepoints.

There are differing schools of thought when it comes to thinking about the importance to the strategic objectives of the United States of the Indian Ocean region in the years to 2020.

One contends that the region will become more important to the US because of its continuing dependence on oil imports from the Middle East and the associated need to maintain strategic pre-eminence in the face of increasing Chinese activity in the region and attempts by Iran to expand its influence. In the event of a conflict with China, the Indian Ocean would certainly assume great significance, particularly in terms of supply lines.

Another says that the Indian Ocean region will actually become less important to the United States after the 2014 Afghanistan drawdown, even more so if relations with Pakistan are allowed to weaken. It may then become easier for other states to challenge the pre-eminence of the US in the Indian Ocean, particularly in regard to its naval primacy; unless, of course, US sovereignty or security is directly threatened. In terms of what foreign involvement it does have, the US will strive to shift its focus from the Middle East and the Afghanistan-Pakistan theatre to South-East Asia. An emphasis will remain on India, which will have continuing importance to the US, even if it is not completely clear just how close India wishes the relationship to be.

A third hypothesis offers an interesting synthesis of the above two schools of thought. That is that, while the region will continue to attract the attention of policymakers in Washington, the actual resources allocated to it will not increase and may even be reduced. Despite an increasing focus on the Indian Ocean region in the future, the movement of new, major

assets into the area does not seem likely. Modern technology aids such thinking, as it is no longer necessary to have large numbers of bases in the region, at least in order to monitor it. Greater use will be made of UAVs to conduct maritime surveillance, for instance, while a judicious use of drone strikes might be made in support of US allies.

The above considerations aside, it appears that there will be a greater use of multilateral arrangements by the US, which will see Washington looking to work closely with selected partners on particular issues. This also reflects the (current) awareness that it is not feasible – or perhaps even desirable – for the US to be involved in all issues. Similarly, the US could be confronted in the near future by issues of sustainability. Is it approaching the point at which it is no longer able to sustain its strategic interests? The positioning and nature of US assets and capabilities in the Indo-Pacific region is likely to change and Australia may be in a position to benefit from that. The US may yet be forced to scale back its presence in the region and, if so, it might then look to other partners, such as India, Indonesia and Australia, to play a greater role in the region's security.

As such, there may be a possible shift of foreign policy resources to East Asia by 2020. If that were to happen, it would be a continuation of the recognition that began six to seven years ago, of the increasing importance of the Asia-Pacific region. The transfer of staff and resources from European offices to key states in the Asia-Pacific (and Indian Ocean) regions would be a natural consequence of such a shift. While the Global Force Posture Review is aiming for a more flexible range of US assets in the region, a withdrawal of the Fifth Fleet appears unlikely. There may, however, be changes to the locations and nature of US bases in the region, with more of an emphasis on logistics hubs – “hub and spokes” arrangements, rather than actual bases.

In Central Asia and the Middle East, especially, there is the potential for a convergence of US, Chinese and Indian interests. All three powers want stability in the region. China is especially mindful of unrest and Islamist activity in Xinjiang and neighbouring states. China is therefore probably quite nervous at the prospect of a post-US Afghanistan. None can afford for Pakistan to collapse and become a failed state and all are dependent on oil and do want any instability to jeopardise their supply lines. Thus, in the Middle East and Indian Ocean, the national objectives of all three countries converge to a large degree: all want unimpeded access to shipping lanes, freedom of the global commons, maintenance of the rule of law, and an end to extremist violence.

They diverge in the South China Sea, however, largely because of its proximity to China; neither India nor the US has a direct territorial interest in the South China Sea (although US allies do). Nevertheless, as a leading flashpoint, this is one of the more likely locations where the US and Chinese maritime capabilities may come face to face in the future.

Food and water security issues are increasingly on the minds of US policymakers and this will continue to raise awareness of countries in the Indian Ocean region. Although foreign assistance programmes are coming under budgetary pressures, food and water security projects might be among the last to be affected and keep the US involved in the Indian Ocean region.

Defence and Foreign Policy Implications of the US Economic Situation

Straitened economic circumstances have meant that there is a new emphasis in the US on domestic “nation building”, which may last for the next five to ten years. It won’t necessarily mean an end to US foreign involvement, but there is little appetite for further expeditionary ventures.

There will be some internal tension between US politicians and the military. One question worth considering is, if there were a Republican presidency from 2012 onwards, would it really have any different foreign policy options? In all probability, they would not be markedly different, but that may possibly lead to a more inward-looking foreign policy (which would be at odds with the Republican Party’s traditional interest in foreign affairs), if Americans chose to search for security at home.

There is, so far, little direct connection between the recent debt ceiling wrangling and spending on defence, which has, to date, generally been secure. The cuts made thus far have largely been confined to peripheral projects; core capabilities are, as yet, largely unaffected. A case could even be made that a large bureaucracy, such as the Department of Defence, might benefit from the greater efficiencies enforced by the budget cuts. That may change in the future, though, as subsequent tranches of spending cuts are required. A potential casualty of future budgetary pressures could be exchange programmes, such as the International Military Education and Training (IMET) Programme. IMET is a valuable, low-cost resource and cutting it would remove very useful lines of communication and influence.

One consequence of any future funding cuts will almost certainly be a greater emphasis on partners doing more. The US will, therefore, have higher expectations of its security partners. The Australian-led International Force for East Timor (INTERFET), operation in East Timor, in which the US played a background role, may offer a template for the future.

There are certain inherently positive qualities in the US economy, which give optimism for the future. Among these are the resilience of the American people and their capacity for innovation and renovation. Also important are simple demographics: the relatively young age structure of the US population will enable the workforce to keep growing, albeit at a slower pace than in the past. Corporate profits are still high, but while uncertainty remains, they are not being re-invested. If the Administration can impart a greater sense of certainty, re-investment and jobs growth should follow.

It is also worth remembering that the US system is one of checks and balances. Tension between the different levels of government is a feature of the system, which was specifically designed to force compromises on the different branches of government. The debt ceiling wrangling is perhaps best seen in that light.

The US economy still faces many challenges. Creating more skilled, value-adding jobs and improving education are crucial and the US economy will require this in the future. The National Export Initiative is one attempt at boosting the economy (doubling exports within five years), but the difficulty of it is that it is aimed at producing short-term results when the education and skills required to achieve that will take much longer for the workforce to

acquire. Unemployment and the need for up-skilling and/or re-skilling are other problems for the workforce. There may be a growing awareness of the benefits of linking diplomacy and business, as well as the future importance to the US economy of the economies of the Indian Ocean and many of the BRICS countries: Brazil, Russia, India, China and South Africa.

It is tempting to draw parallels between the United States' current circumstances and those of the post-Vietnam War era. The Vietnam conflict was a traumatic experience that dented the national psyche at a time of economic difficulties. By 1984, however, a great measure of confidence had been restored.

Just what degree of confidence can be restored five years from now is hard to predict but, if the past is any guide, few Americans in 1979, confronted with economic malaise at home and Cold War competition with the Soviet Union abroad, would have predicted just how much more confident they and their compatriots felt just five years later.

This time around, while unemployment now is higher than it was in 1979, at 9.1 per cent in August 2011² versus 6.0 per cent in August 1979, unemployment rates of over ten per cent were the norm for much of 1982 and 1983, but these had dropped by 1984 as economic confidence recovered, despite the loss of large numbers of jobs in the industrial sector. Equally, inflation in 2011 is not at all the problem that it was in 1979. At a rate of 3.6 per cent in July 2011 (the most recent period for which inflation data are available), as against 12.2 per cent in September 1979, inflation clearly does not need taming. This is also partly reflected in interest rates. In 1979, interest rate settings were geared towards controlling inflation and were subsequently ratcheted up to double digits in 1980. In 2011, rates are kept low to help facilitate growth and the Federal Reserve, like the Administration, is far less concerned by the prospect of creeping inflation than it is by a lack of growth.

In 2011, corporate America is still making a profit. According to the US Bureau of Economic Analysis, the country's corporations reported a record annualised profit of US\$1.68 trillion in the fourth quarter of 2010 (although year-on-year growth rates have slowed from a peak in 2009, and are not yet being re-invested in jobs). Gross Domestic Product continues to grow, albeit slowly, increasing at an annual rate of 1.0 per cent in the second quarter of 2011.

In contrast to 1979, the wars in Afghanistan and Iraq, while difficult, are not affecting the national psyche in the way that the Vietnam War did. Now, too, the US has deep economic links with its apparent rival, China, which was not the case with the Soviet Union. Confronted by any number of domestic pressures – not the least of which is demography – the continued economic rise of China is by no means assured. In terms of military technology, the United States remains far more advanced than any of its possible competitors. Beijing may be Washington's future rival, but its military capabilities still lag behind the US – a good 20 years, by some estimates. The Soviet Union, on the other hand, was seen as a military peer competitor until the mid-1980s. The gap may yet turn out to be moot as, in the future, the ability to deny maritime access may compensate for capability shortfalls.

² All economic statistics are from the US Bureau of Labour Statistics.

In any event, regardless of the validity or otherwise of any parallels with the recent past, the ability of the United States to renew itself is undeniable. As the above examples show, it has done so in the past under different, but equally trying circumstances. It should not be ruled out now, even though it may take longer than on previous occasions. While competitors may be growing at faster rates and challenges certainly remain, many of the underlying fundamentals of the US economy are positive, thus enhancing Washington's ability to fund its defence and foreign policy objectives – possibly, perhaps, more efficiently than in the past.

The following briefly summarises aspects of US involvement in the Indian Ocean by country/sub-region.

China

The question of how to cope with the rise of China is at the core of much of US policy in the Indo-Pacific regions. Looking out to 2020, this is likely to continue to be the case. Exactly how the US might adjust to having to share more of the international space with a rising China and what the US actually views as being China's legitimate interests in the Indian Ocean and Asia-Pacific regions remain equally uncertain. If not managed well, friction could result from China's military build-up and increased assertiveness regarding Taiwan, Japan, South Korea and the South-East Asian countries, particularly in the South China Sea. For the US, this reinforces the need to maintain its partnerships with Australia, Japan, South Korea, Singapore and Vietnam. On the other hand, because China and the US (and India), all have too much to lose from a conflict in the Indian Ocean, efforts – although sometimes clumsy – will be made to manage differences and prevent them from escalating.

Given that China's interests in the Indian Ocean region (and beyond) are, in most instances, broadly the same as those of other countries, the potential for future co-operation therefore exists and the US is interested in pursuing it; co-operation builds confidence and, if nothing else, is cheaper than doing it alone.

But, China may be unwilling to commit too deeply. While it wants the region's sea lanes to be secure and is acutely conscious of its vulnerability in that regard, there are few, if any, signs that Beijing would be willing to act as guarantor of the global commons in the way that the US does. In many cases, just getting China to discuss the issues can be difficult, although counter-piracy co-operation in the Gulf of Aden, for instance, proves that Sino-US co-operation on regional strategic issues is possible. It also gives China an opportunity to demonstrate to Washington its credentials as a responsible international citizen.

Equally important is the fact that, just as the US has an economic interest in China, the US is of tremendous economic importance to China, which therefore has an interest in a US economic recovery. A conflict would harm the economies of both countries.

It is worth remembering, however, that while the above relates to the Indian Ocean, matters are very different in the South China Sea, even though the US itself is not directly involved – other than insofar as it is a guarantor of the global commons and the other claimants are all US allies to one degree or another. For China, the issue is a more existential one of encirclement and a perceived threat to territorial security. Nationalism, possibly stoked by the Communist Party itself, will only serve to inflame Chinese sensitivities.

The willingness of the United States' partners to keep the US engaged in this area may offer Washington an ideal opportunity to pursue the notion that its partners must do more while it continues to provide a security umbrella. More bases in this region are unlikely – the US and its partners will be unwilling to raise the ire of China – but the concept of “places, not bases” is well suited to both the area and the financial circumstances of the US. Although the US has no intention of withdrawing from this region in the next decade, it will look to refine its assets in the region for optimum efficiency and impact.

India

Looking out over the next ten years, a more active, supportive India will be a primary US objective for its relations with New Delhi. Washington would like to see India become a more active partner that is also more attuned to US interests, such as those relating to Burma, Iran and Afghanistan. The US will be happy for India to play a stabilising role in Afghanistan.

The US will emphasise the need for peaceful co-existence between India and Pakistan. It will want India to not only manage, and reduce, tensions with Pakistan, but also to be more accepting of US involvement with Pakistan, recognising that it is not balancing, hedging or anti-Indian in nature, and that the US must be in Pakistan for its own national security.

The US will continue to endorse India as a democratic, economically growing regional power committed to the rule of law (this carries with it an implicit preference for India to act as a counter weight to China). The intense US diplomatic activity at the Nuclear Suppliers' Group (NSG) on behalf of India in 2008 and the June 2011 statement by outgoing US Ambassador to India, Timothy Roemer, that ‘the US and the Obama Administration strongly and vehemently support the clean waiver for India’, given to it by the NSG in September 2008, can be seen as demonstrations by the US of its commitment to India.

The US can be expected to help India further develop the capabilities to deal with border and maritime issues in the Indian Ocean. This fits comfortably with the notion of burden sharing that the US military is increasingly expected to adopt. India, for its part, has the ambition, but does not yet have the capabilities to achieve it. Possible trilateral co-operation between the US, India and Australia may fit neatly into this context, particularly if broadened to include disaster response management. One model which Australia could offer New Delhi and Washington for use in the Indian Ocean region is the successful FRANZ trilateral disaster relief arrangements conducted in the Pacific by France, Australia and New Zealand.

Washington will also be looking to draw India eastwards into greater strategic engagement with East Asia, thus further cementing its role as a counterweight to China. In this context, the US would probably like to see a greater awareness of India in Chinese strategic thinking – not in the sense of being a threat, but more as a brake on Chinese behaviour in the Indo-Pacific maritime domain. This taps into India's own sense of itself as a rising maritime power that is the equal of China.

While the US would like to have a closer military relationship with India, it is uncertain whether India wants the relationship to be quite so close. The US-India relationship will face uncertainties and, while it will be a friend, India may not be a close ally of the US in ten years' time. What might be more likely is something akin to an interest-specific partnership. India, for instance, may not necessarily be one hundred per cent aware of what the US may be wanting from it as a partner. Negative Indian perceptions of US involvement with Pakistan is one potential stumbling block, though this should lessen as Pakistan's strategic importance to the US decreases – at least to some extent – after the 2014 drawdown in Afghanistan.

Washington, on the other hand, might be a little too optimistic about the degree to which India is willing to commit to US goals. Nevertheless, the US would still like to see India as an active, reliable partner in the Indo-Pacific region. At the very least, the US wants a non-obstructive, neutral India willing to co-operate with it in regional and international fora. India may therefore be asked to contribute more to the protection of the international system from which it has benefitted.

The US will want New Delhi to display a greater openness to foreign trade and investment, along with access to India as a market for US goods and services. Of particular interest will be the removal of restrictions on foreign investment in sectors such as retail, defence, agriculture and insurance, all of which have the potential to be significant growth markets for US companies. While a rising India will benefit the US economy, it will also pose economic challenges; for instance, increased competition for white collar jobs.

From a US domestic political viewpoint, while the Indian diaspora in the United States is generally well-off and culturally and socially active, it is as yet still politically unaligned. Leading individuals within the diaspora may wish to tap into it as a source of influence or, in the case of US political leaders and strategists, as a source of votes. If that happens, India's prominence in Washington will be boosted.

Pakistan

The United States' chief strategic objectives for Pakistan are to have a Pakistan that is: as stable as possible; which remains in control of its territory and nuclear capabilities; and, that prevents the development and export of terrorist groupings.

The US would also expect Pakistan over the coming years to be more active in reducing tensions between itself and India, thus improving regional stability and allowing both countries to better concentrate on their own economic and social development.

Recent US expectations of a transformed relationship with post-Musharraf Pakistan have not come to pass. Indeed, other than publicly distancing itself from Washington, there are no signs of any willingness on the part of Pakistan for any kind of transformational relationship with the US in the future. Incremental changes could still occur and they could be beneficial to the US. Rather than high profile bilateral agreements, quieter elements of diplomacy such as Pakistani military personnel studying at US staff colleges or Pakistani students studying at American universities, may be the way forward for US-Pakistan relations over the next decade. There remains a lot of anger in the US over the fact that Osama bin Laden was found in Pakistan and it might continue to affect US aid to Pakistan in the future (which is politically unpopular in both countries at the moment). This may lead to demands for nation-building at home, rather than in Pakistan.

The US-Pakistan relationship has always had twists and turns, but Pakistan is too important for the US to ignore. There may well be less US interest in Pakistan after the Afghanistan drawdown in 2014 but, given Pakistan's internal situation and its security ramifications, it cannot simply be left alone and allowed to implode. Given the forces at work in Pakistan, its potential to become a failed or failing state, its status as a nuclear power, and as a home to Islamist extremists, the US does not want Pakistan to fail. In the future, the US may look to work with different partners – some decidedly non-traditional – China, India, Russia, possibly even Iran, for instance, that also have a stake in preventing Pakistan from failing. As noted above, the international anti-piracy co-operation in the Gulf of Aden might offer a maritime template which could be adapted to suit co-operation in Pakistan.

Sino-US co-operation could serve Islamabad's own interests, too, in having two wealthy partners and being able to appear less beholden to the US than may be the case currently. From a US perspective, this would ease the financial and military burdens, although there may be some unease at the prospect of increased Chinese involvement. Such unease, however, ignores the fact that the Sino-Pakistani relationship is not at all a new phenomenon and has been in existence for as long as the US-Pakistani relationship. Paralleling US concerns over the export of terrorism, Beijing will also be very mindful of the possibility of Islamist extremists using Pakistan as a gateway to Muslim-majority provinces such as Xinjiang.

Another possibility is the prospect of a military coup in Islamabad, though whether that would necessarily work to Washington's advantage is by no means certain; a lot would depend on how the military would wish to present the US relationship to the Pakistani public.

Kashmir is an ongoing problem and one that is bigger than a ten-year timeframe, particularly since the élites in both India and Pakistan have a vested interest in maintaining the status quo. The weight of inertia regarding Kashmir is simply too great for the United States to overcome, even assuming Washington were willing to attempt to force the two sides to a resolution.

Afghanistan

The US is now feeling fatigued by the situation in Afghanistan and, in the coming years, will most likely give up any hope of seeing the country as a functioning democracy, as was originally envisaged ten years ago. Washington will aim to make the best of a difficult situation by keeping Afghanistan as “quarantined” as possible. It will increasingly look to do that by working with neighbouring states to contain the situation to the fullest extent possible. In ten years’ time, from a US perspective, that may be the best outcome that be hoped for.

In the years after the 2014 drawdown, Afghanistan may provide an opportunity for the US to act in the role of something akin to an “honest broker” in improving India-Pakistan relations. As noted above, while the problem of Kashmir is unlikely to be solved any time soon and any progress made will be incremental – if it occurs at all – there is a convergence of Indian and Pakistani interests in a stable Afghanistan. The US, in concert with China and other regional powers, may be able to bring together some form of regional solution. Stability is important for both the US and China, so the potential exists for an Afghanistan accord, particularly if there were a re-emergence of an al-Qaida node.

The future shape of Afghanistan remains one of the biggest unknowns of the next ten years, but the US will try to maintain influence with whatever central government exists, weak as it may be.

Iran

The key US strategic objective for Iran is preventing it from acquiring nuclear weapons. A second, longer-term objective is to see a successful, Western-oriented, liberalising youth revolution leading to regime change. Nuclear concerns aside, given the demographics of Iran, the US may simply be able to bide its time until that happens. In the meantime, however, change is unlikely to come from either the ruling clerics or President Ahmadinejad and his supporters.

The US is highly unlikely to launch an attack against Iranian nuclear facilities and will continue to employ sanctions against Tehran to achieve the objective of stopping the nuclear programme. Working with regional allies to contain Iranian influence will continue to be another key objective. Over the next ten years, however, the US may need to reassure certain partners, such as Saudi Arabia, which have been left feeling somewhat unsettled by recent US Middle East policies, that it is not abandoning the region.

Indonesia

Although US-Indonesia relations have been somewhat stunted in recent times, they will grow along with Indonesia’s own democratic and economic achievements, its strategic location and the US Global Force Posture Review. The recent positive trend in US-Indonesia

relations can therefore be expected to continue and Indonesia will occupy an increasingly important place in future US foreign policy calculations. This will be principally due to five key factors: it is a democracy; it is the largest Muslim country in the world; despite erroneous perceptions regarding the nature and extent of Islamist militancy, it is pro-Western (and, indeed, has been for most of the time since independence); it is strategically located; and, economically, it is a major emerging market enjoying good rates of growth.

Despite this, Indonesia has not figured highly on the US “strategic radar” in the past and, when it has done so, it has usually been because of a crisis of some kind. The US still needs to develop a consistent and coherent Indonesia policy for the years ahead.

Although Indonesia has made tremendous progress since 1998, there are still some frailties: its democracy is not yet particularly robust, and the government appears reluctant to crack down too strongly on religious violence. Depending on how they play out and the responses to them from the Indonesian government and public, factors such as these could conceivably have altered Indonesia’s trajectory in ten years’ time. While they would complicate, or alter, how the US relates to Indonesia, given the geopolitics of the region and Indonesia’s location, the US would seek to maintain relations with Indonesia as a balance against weaker ASEAN states that might tip toward China, such as Burma, Laos and Cambodia and, of course, against China itself. As well as deeper relations with Indonesia itself, the country also provides a focus for greater US engagement with ASEAN. As the leading ASEAN state, and with a rising China nearby, Indonesia has an interest in keeping relations with the US on an even keel.

Other key US objectives for Indonesia in the years to 2020 will include co-operating with Jakarta on shared security and diplomatic concerns by working with Indonesia as a partner and a bridge into the region and the Muslim world. The utility of soft power will need to be more fully realised. In this case, the US can work towards achieving increased cultural understanding by encouraging Indonesian students to study in the United States (although, in what will be a concern for Washington, the US has fallen well behind Saudi Arabia as a destination of choice). Similarly, defence personnel will encourage the continuation of the successful – and low cost – International Military Education and Training (IMET) Programme, in which Indonesia has participated. It was of particular value to the US during the East Timor crisis, as it allowed US personnel to communicate with their Indonesian counterparts despite the concurrent diplomatic difficulties.

On the economic front, bilateral trade relations will continue to grow. The US will emphasise the importance of good governance and the rule of law. This will primarily take place at the diplomatic level, but possibly also in co-operation with the business community, as it stands to benefit the most.

Australia

When the United States and Australia established diplomatic relations in January 1940, the US would, in just a few tumultuous years, replace the United Kingdom as the guarantor of

Australia's security. In the years since, the US alliance has remained the cornerstone of Australia's security posture.

For the US, the relationship remains one of great depth and importance based on shared security and economic interests, in addition to democratic values and a number of other cultural similarities. The alliance with Australia has been of inestimable value to the US, contributing to the United States' global strategic reach through such means as port calls, exercises, intelligence sharing and the hosting of various bases. Defence and intelligence relations between the two countries remain close and will continue to be so.

As outlined in the 2010 Melbourne Statement, Washington and Canberra hold shared views on many international issues, such as shared security commitments in Afghanistan; the desire for stable, peaceful and prosperous Asian and Indian Ocean regions; appropriate and effective regional and global institutions; the continuation and enhancement of the rules-based international order, currently underwritten by the US; nuclear non-proliferation in general and a non-nuclear Iran more specifically; addressing climate change; and a commitment to free trade, including comprehensive conclusions to the Trans-Pacific Partnership free trade agreement negotiations and the World Trade Organisation Doha Development Round.

In the future, the key objective for Washington in its relationship with Canberra will be to secure Australia's continuing support for the US in the Indian Ocean and Asia-Pacific regions. In the meantime, ensuring Australian support for US trade and strategic postures will be of great importance. In East Timor, Australia's \$5 million contribution to the US\$14.7 million Health Improvement Project led by USAID that aims to improve maternal and child health is a tangible example of Australian support for US soft power activities in the far reaches of the eastern Indian Ocean region.

Militarily, Australia's role as a reliable alliance partner will continue in the years ahead, with the sense of shared values continuing to underpin the relationship, reinforced by Australia's growing economic strength. There might still be, however, a slight reorientation of the alliance, in which its focus might shift from the Pacific to the Indian Ocean. In that event, Australia would be encouraged, or perhaps expected, to be a more active partner.

As another, more specific objective, the United States will be looking for a positive Australian response to its Global Force Posture Review. As indicated at the 2011 Australia-United States Ministerial Consultations (AUSMIN), Washington, like Canberra, is interested in adapting the US-Australia alliance to better counter cyber threats. In the future, that may even to the development of international norms for cyber warfare.

The US will continue to take great heed of Australia's input on foreign and defence policy issues; honest advice from Canberra is usually very well received. There is, nonetheless, a small possibility that, because of its reliability as a partner and distance from key flashpoints, Australia will continue to be important to the US, but will lack significant strategic influence, particularly when compared to countries such as South Korea, Japan, or, in the future, Indonesia. US policymakers will ultimately act in accordance with what they perceive to be in their country's best interests and, in those circumstances, it can be hard for Australia to have its voice heard.

In terms of both countries' policies towards China, there could be a future divergence. This is not likely in the near future, but could perhaps be possible further out. A possible US-China conflict would be a nightmare scenario for Australia, but Canberra would be unlikely not to side with Washington. In this sense, there would be no radical shift in the relationship.

As the sole superpower, the United States naturally has a wide range of varied interests spread across the Indian Ocean region. In the years to 2020, it will strive to maintain its position of strategic pre-eminence in the face of the challenges posed by its currently straitened economic circumstances. It will also look to work as closely and co-operatively as possible with key regional partners such as Australia, India and Indonesia.

Equally, the United States will aim to keep relations with China on an even a keel as possible, as a conflict between the two powers would benefit neither country. Beijing is nothing if not pragmatic and it, too, realises this. While there will undoubtedly continue to be ups and downs in the Sino-US relationship, neither side will allow matters to get too out of control. Co-operation is the greatest confidence building measure of all, and already, in the Gulf of Aden, and, in the future, possibly in Afghanistan, the Indian Ocean offers tangible opportunities for co-operation between the two powers.

As a source of much of the United States' energy imports and the home of partners that are themselves mindful of the implications of a rising China, the US will continue to be engaged in the Indian Ocean region, even if the exact nature of that engagement, and the capabilities allocated to it, are not yet entirely clear.

Any opinions or views expressed in this paper are those of the individual author, unless stated to be those of Future Directions International.

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