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Despite Cuts in Defence Cooperation Program (DCP), Australia has Sustained Interest in Southeast Asia

BY ROMAN MADAUS

Australia has deep and enduring interests in Southeast Asia, and it has steadily increased its involvement there. The region is vital for the country's prosperity, security, and increasingly its identity. Southeast Asia also lies at the heart of Australia's geopolitical strategy: Australia has long seen the region as a buffer against coercion by unfriendly Asian powers. For this reason, preserving Southeast Asian independence against China's increasing might (though rarely officially articulated) is a quietly growing preoccupation in Australian foreign policy circles. It seems odd then that the traditional centerpiece of Australia's security engagement with the region – the Defence Cooperation Program (DCP) — has seen funding decline for Southeast Asia.

Roman Madaus, Former Researcher with the East-West Center in Washington, explains that "It is clear that Australia is shifting its funding priorities eastwards. However, it is unlikely that this indicates less interest in Southeast Asia."

Canberra uses the DCP to build much-needed capacity and people-to-people links with a range of partners, especially in Southeast Asia and the South Pacific. Real DCP funding for Southeast Asia between 2007 and 2017 decreased by 19%, and the proportion of the DCP budget allocated to the region fell from 29% to 16%. Falls in spending for individual countries are even more striking. DCP outlays for the Philippines (-54%) dropped by more than half, and those for Malaysia (-21%), Thailand (-16%), and Indonesia (-11%) also fell. To those familiar with Australia's apparently solid security engagement in the region, these figures may come as surprising. Why then has DCP funding for Southeast Asia fallen by so much?

One reason is that many Southeast Asian militaries have become quite capable and no longer need direct aid. Exercises, training, and interoperability are the new emphases, and many Southeast Asian countries – unlike most in the South Pacific – no longer need extra funding to participate in exercises. Canberra is also sending capabilities rather than cash; in the past five years it has provided ships or planes to Indonesia, the Philippines, and Malaysia. It also deploys surveillance aircraft to help with counterinsurgency and maritime security.

Competing security priorities could also be squeezing DCP funds for Southeast Asia. Australia's federal police and border agency are soaking up funds to build non-traditional security cooperation on issues like transnational crime and people smuggling. Spending during the past five years on offshore asylum seeker management for the "stop the boats" program (Operation Sovereign Borders) was almost nine times that allocated to the entire DCP program.

Another competing priority is Australia's spending on its ongoing commitments in Afghanistan and the Middle East, which dwarfs the DCP program. The overall defense budget also suffered cuts from 2011 to 2014, during which time outlays for almost all DCP countries fell, though allocations for Afghanistan and Papua New Guinea did not.

The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options.

Canberra has also shifted DCP funding emphasis to needier countries that make up an "arc of instability" in the Southwest Pacific stretching from East Timor to Melanesia (not including Indonesia). It has dominated this arc for at least three decades, and both the region and Australia's allies expect it to continue to serve as de facto security guarantor. More hawkish pundits would also point out that China has only just begun to exercise influence in the South Pacific (mostly through development aid), so Australia is more able to preserve the favorable status quo there than in Southeast Asia. Canberra may not be able to help its Southeast Asian partners resist pressure from Beijing, but it might be able to forestall the establishment of a Chinese South Pacific naval base (à la Djibouti) in the coming decades.

Australia has focused particular attention on Papua New Guinea given its instability, proximity, and colonial history. DCP spending for the country soared by 248% in the past decade, and it now accounts for a third of the program's expenditures. In the same period the program's allocation for the South Pacific rose by 68%, a trend that is set to continue. Since 1987 Australia has run the Pacific Patrol Boat Program, which provided twelve South Pacific nations (including Papua New Guinea) with patrol craft to police their vast exclusive economic zones. For most recipients these boats are the only vessels that their fisheries enforcement agencies operate. Australia is currently replacing the fleet as part of its Pacific Maritime Security Program (PMSP), which will cost $2 billion over the next thirty years. Canberra sees the program – which is set to become the cornerstone of the DCP in the coming years – as a way to bolster South Pacific security and preempt problems emanating from its weaker neighbors in the future.

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It is clear that Australia is shifting its funding priorities eastwards. However, it is unlikely that this indicates less interest in Southeast Asia. Many of the region's countries don't need Australian money for their militaries anymore, but they continue to seek support for exercises, training, and interoperability. This isn't always channeled through the DCP, and a lack of precise quantitative information makes it unclear whether spending on other programs is offsetting lower DCP outlays for Southeast Asia. Qualitatively though, Australia is maintaining its robust security engagement; it remains a valued partner in dozens of annual and biennial joint exercises with almost all Southeast Asian countries, including the currently ongoing Indo-Pacific Endeavour 2017 (to which Canberra has committed 1,200 personnel). Australia continues to offer roughly 1,000 positions for military and English language training to Southeast Asian countries each year. It also is expanding its defense partnerships with certain countries, especially Singapore and Vietnam. Finally, Canberra's regional engagement has become more multilateral as it has deepened its engagement with maturing regional organizations like the ASEAN Regional Forum and the ASEAN Defence Ministers' Meeting-Plus.

All in all, Australia is focusing on its areas of comparative advantage. In the South Pacific, security hardware is so lacking that Australian defense aid has an outsized impact. In Southeast Asia, it is the software and the ease of access that make Australia stand out. This "software" consists of Western military doctrine, tactics, and culture. Australia also has many of the attractions of the US military but lacks the baggage that can come with American security cooperation (such as the possibility of irritating China). Australia's security engagement is thus well-matched to its changing regional security environment. This environment continues to morph, and it will be instructive to see how Canberra subtly adapts its priorities as power dynamics shift in the region.

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