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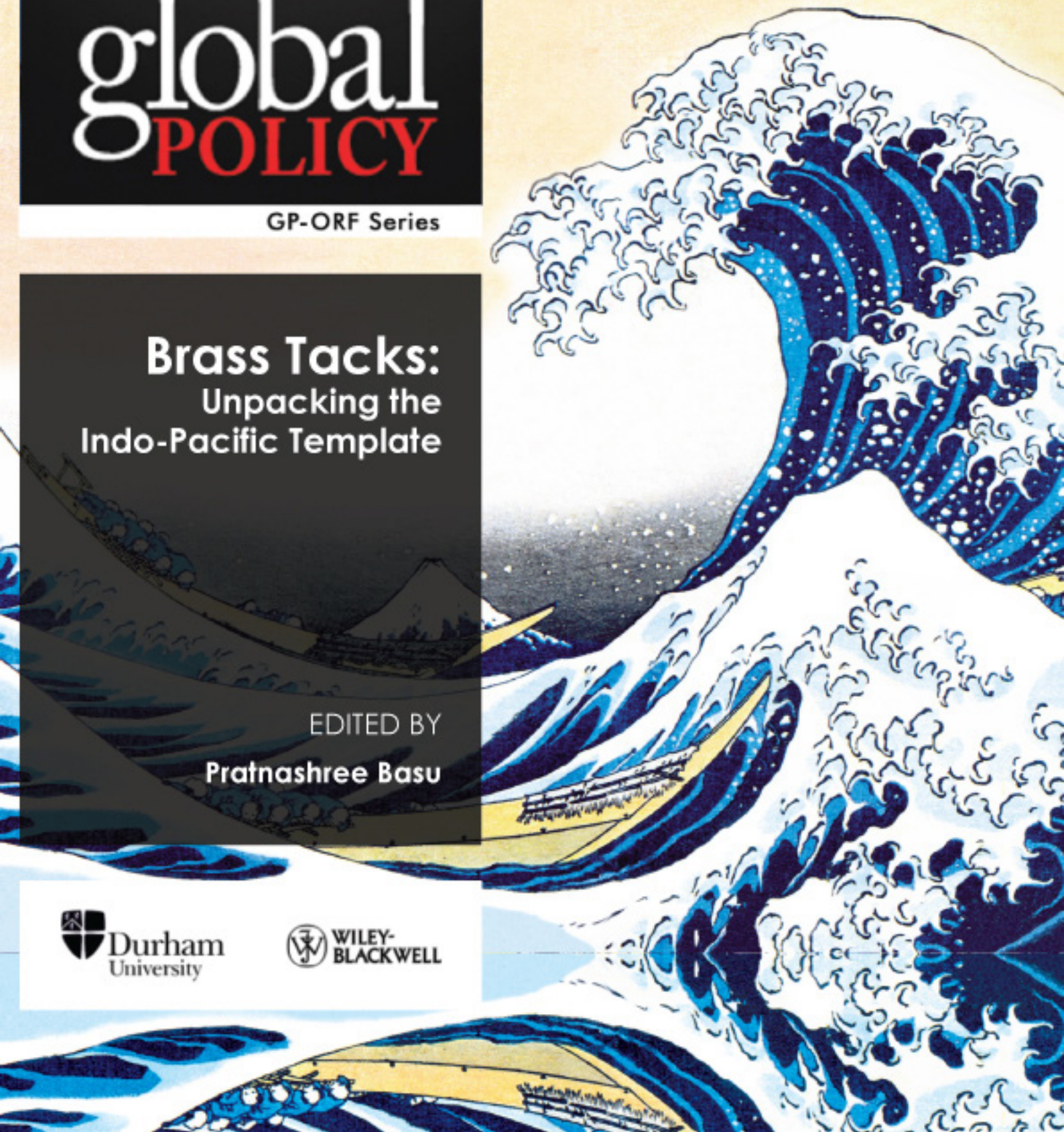
Brass Tacks:
Unpacking the Indo-Pacific Template



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Brass Tacks: Unpacking the Indo-Pacific Template

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Pratnashree Basu

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Editor's Note

Spanning a vast geographical expanse and covering two ocean systems, the Indo-Pacific comprises some of the fastest growing developing economies in the world, houses the most active seaports, and accounts for the bulk of global maritime trade. Unsurprisingly, global and intra-regional interactions have come to be inextricably tied to the geopolitical and geoeconomic realities and shifts in the Indo-Pacific. This part of the world has consequently come to occupy a place of significant multi-stakeholder prominence across the globe, resulting in both cooperative and competitive equations of power over access to and use of resources, connectivity, and infrastructure. While the pre-pandemic world was already grappling with geopolitical, geoeconomic and technological complexities, the onset of the most challenging global health crisis ever has propelled countries around the world into unanticipated uncertainties and accelerated and recalibrated global interactions and decision-making in unprecedented ways. Underlying these interconnections is the uncertainty and ambiguity with respect to China's place and role given the significant proportions of apprehension that it has given rise to.

This volume of the GP-ORF Series will explore the currents that characterise a geopolitically tense Indo-Pacific with the aim to untangle or decongest this geographical space, which has in a sense become encumbered by a multitude of strategic ascriptions and ensuing policy prescriptions. The edition comprises four sections inquiring into the key developments and their perceived and

actual implications alongside considered approaches that inform both intra and extra-region interactions. Divided into the broad categories of strategy, economy, regional politics and critical technologies, these sections also offer policy directions in response to shifts in the regional contour. The not-so-smooth rise of China; the increasing role of aspirational intra-regional countries; a renewed realisation of the significance of maritime commerce and its complex and multi-layered interaction with political dynamics; the reliance on maritime trade routes for supplies of energy and the uncertainties; and opportunities posed by rapid advances in critical technologies are some of the key issues that underpin and shape developments in the Indo-Pacific.

The first section, 'Geostrategy: The Geometry of the Indo-Pacific Construct,' explores the many definitions and constructs for what the Indo-Pacific stands for—all of which are not equivalent—and how they are impacting regional and global alignments of power. This section traces the evolution of the Indo-Pacific as a geostrategic construct and evaluates if the Indo-Pacific is a constructive project with the potential to bind a part of the world that is aspirational and committed to the preservation of peace and stability, or if it is just a hastily put together construct that is grappling to bring together like-minded countries to contain China. This section analyses the role of China, India and the US as Indo-Pacific powers, key to the making and unmaking of regional and global geopolitical equations.

The focus of the second section, 'Geo-economy: Repercussions of Adaptive Expectations,' centres around the geoeconomic interactions in the Indo-Pacific, exploring how economic engagements stand to characterise and impact the politically-heavy dynamics of the region. It looks at how the ongoing pandemic has underscored the already acknowledged need for diversifying reliance on traditional nodes of manufacturing alongside the building of resilient supply chains; the ways in which competing architectures of trade and investment interact and influence bilateral and multilateral ties; and the imperative of cooperation in energy security particularly in the context of ensuring seamless trade flows across some of the busiest sea lines of communication,

which traverse the waters in the Indo-Pacific. India's position and economic engagements, its characteristic trade dilemma and future choices for global integration is another aspect of consideration. Recognising the multi-dimensional challenges such as climate change, sea-level rise, ocean acidification, and extreme weather events, this section also looks at emerging areas of collaboration that are prompting countries to gravitate towards the 'blue economic model' of sustainable and viable growth.

'Competing Polarities: Regional ordering and External Balancing,' the third section, acknowledges that the Indo-Pacific is caught between responding to developments and devising approaches that are best suited to make room for the expanding scope of external balancing in the region. Geopolitics will largely play out in this spectrum of cooperation and contest. In this background, this section investigates the challenges for operationalising ASEAN centrality in an already fraught Indo-Pacific; the mushrooming of minilateral forums and whether they stand to achieve partnerships of function especially as middle powers like Australia, Japan, and India begin to shoulder a larger share of intra-region security dynamics; and the geopolitical tightrope that countries in Southeast Asia must manoeuvre amidst regional and external pulls and pressures. From the perspective of New Delhi, it assesses the viability of utilising the Andaman and Nicobar Islands as a springboard for India's involvement in the Indo-Pacific.

The final section, 'Analytics and Ambiguity: The Critical Technology Frontline,' studies whether critical technologies have become the new frontline in the Indo-Pacific. Digital responses are becoming ever more critical, leading to the shrinking of physical distances and communication timelines and demanding responses that are adaptive and swift. The adoption of and adaptation to technologies connected with the fourth industrial revolution, such as 5G, artificial intelligence, nanotechnology, robotics and quantum technology, will define the nature and scope of innovation, economic progress and social development within countries. With scope for both positive and negative disruptions, critical technologies offer opportunities for collaboration while also being susceptible for use as the tools of modern warfare. In

a region that is already witness to contested spaces, the role of technology becomes rife with opportunities and as countries in the Indo-Pacific frame their approaches to critical technology issues through the lens of national security.

This volume sets out to provide a meaningful template for the Indo-Pacific construct. In doing so, it highlights the prime drivers impacting countries in the region while also focusing on the external forces that align with or affect the evolution of the Indo-Pacific, with the objective of informing stakeholders, policy practitioners and researchers with a comprehensive yet nuanced understanding of a region that will shape global interactions in the coming years.

Pratnashree Basu

GEO-STRATEGY: THE GEOMETRY OF THE INDO-PACIFIC CONSTRUCT

The Indo-Pacific: From Theory to Practice

Harsh V Pant and Anant Singh Mann

The notion of a "broader Asia," which for the first time aimed to conflate the maritime belts of the Indian and Pacific Oceans in a geopolitical context, was conceived in former Japanese Prime Minister Shinzo Abe's famous "Confluence of the Two Seas" (1) address to the Indian Parliament. Although this abstract transition of the general approach to the region from its previous 'Asia-Pacific' avatar appears rudimentary and generally limited to certain groupings of states, its formulation and gradual global expansion do indeed signal a change in the power structures of contemporary international relations.

The transition of this terminology has further been juxtaposed with the slow development of a strategic understanding between Japan, India, Australia, and the US in the form of the Quadrilateral Security Dialogue (Quad) and expressed more tangibly in the recent inclusion of Australia (2) in the 2020 Malabar naval exercises. (3)

As a consequence of these developments, questions have been raised regarding the motives behind the evolution in the description of this region. A variety of perspectives exist, but two are key. First is that of China, which pessimistically emphasises the existence

of a zero-sum game in the region and warns the formation of a "new NATO" to counterbalance its rise in the region. (4) Second, scholars point out that a redefinition of the region as "one single maritime entity" is both conducive to and a result of the region's great economic potential to function as a corridor strengthening the link between Southeast and South Asia. (5) Although both narratives provide unique perspectives on the advancement of the Indo-Pacific concept, to better understand its development it is critical to analyse the evolution of circumstances and requirements of the key states (the Quad countries).

The "confluence" of the Indian and Pacific Oceans as a description for their shared maritime region has a significant historical antecedent; it was proposed as early as 1865 that the region be described as "Australindia". (6) This parlance was only revived out of its dormancy after Abe's famous speech in 2007. On the surface, the reasons for its renewal are manifold and include traditional and non-traditional issues like terrorism, human trafficking, forced migrations, environmental concerns, and the substantial rise in the value of trade routes in the region. (7)

While each of these developments warrant a reoriented focus on the strategic combination of the Indian and Pacific Oceans, the practical implementation of the phrase 'Indo-Pacific' in diplomatic nomenclature has indeed had its ups and downs over the last few decades. The needs and priorities of individual countries have guided their strategic categorisation of the Indo-Pacific region.

Japan

Japan's stance on the region has evolved from a competitive to cooperative strategy. (8) It started out by aggressively championing the new 'Free and Open Indo-Pacific' (FOIP) strategy, (9) which crucially focused on 'Asia's Democratic Security Diamond'. The idea of the security diamond inherently excluded China from the Indo-Pacific club, creating a clear schism in the region between US and China allies. The initial FOIP approach was to counterbalance China's rapid rise by roping in the US and other middle powers like India and Australia. In the post-2012 period, the focus shifted from securitising the Indo-Pacific to using its fundamental principles of keeping a FOIP to bring "stability and prosperity"

(10) to the international community. Currently, there appears to be a co-existence between the competitive and corporative strategies, as Japan continues to partake in the Quad and the Malabar naval exercises, as well as other security initiatives in the Indo-Pacific. But economic factors and the Senkaku Islands dispute will continue to drive Japan's position in the Indo-Pacific.

India

India's relationship with the Indo-Pacific construct is rooted in its efforts to reach out to its east through its remodelled 'Act East' policy. India's security arrangements in the region have existed since the beginning of the Malabar military exercises (in 1992) and the initial conceptualisation of the Quad (in 2007), but its outreach at the time was based on enhancing connectivity and trade activity in the region to emulate East Asia's economic progress. (11) While the connectivity and trade aspects have not been completely disregarded, India's emphasis on security, catalysed by an increasingly assertive China, has been particularly accentuated over the last decade. (12)

The Indo-Pacific arena remains a central feature in India's China policy, but issues such as the commitment to a 'strategic ambiguity' continue to plague any further advancement in its role in the region. What has been described as an "evasive balancing" (13) has shaped India's efforts at counterbalancing China's assertiveness in the region while reassuring China of its nature of non-security activity in the region. Perhaps the most significant changes in the Sino-Indian relationship took place during their prolonged military standoff in 2017 at the Doklam border trijunction and confrontation in 2020 at the Galwan Valley. (14)

These events have emerged as turning points for India's approach to the Indo-Pacific, uprooting many prior reservations about establishing stronger regional engagement. India has established a new Oceania division in its foreign ministry, with the mandate to coordinate and strengthen the country's strategic outreach in the Indo-Pacific. (15) India's central role in the Indo-Pacific strategy truly represents its coming of age, giving India the due recognition of its enhanced role on the global stage.

The US

The US saw a period of dormancy in its support of the phrase 'Indo-Pacific' and its associated principle of FOIP after 2007. Although the US recognised the term Indo-Pacific, its usage and rhetoric of a FOIP visibly decreased under the Obama administration. Subsequently, the Trump administration officially switched from the 'Asia-Pacific' phrasing to the 'Indo-Pacific'. (16) Under former President Donald Trump, the US approach on the Indo-Pacific was guided by the dual policy of reducing China's unequal trade advantages and expanding its presence in the region under the FOIP banner. (17)

The Trump administration openly declared in 2017 and again in 2019 that "the Indo-Pacific nations face unprecedented challenges to their sovereignty, prosperity and peace". (18) The US also recognised that "authoritarian revisionist powers" are actively expanding the schism between "free and repressive" systems, clearly alluding to its growing antagonism with China. (19) As a logical consequence, it has progressively adapted and championed the usage of the Indo-Pacific as a description of the region.

Australia

Australia has arguably remained the most ambivalent of the Quad nations, both in its adoption of the Indo-Pacific nomenclature and in subscription to its underlining values—from Australia's abrupt public withdrawal in 2008 from the Quad, (20) to extending reassurances to China in 2017 that it would continue to strengthen bilateral ties, and describing that country as a "major geopolitical player". (21) Australia continues to maintain extensive dependencies and interlinkages with China, which is its largest trading partner and export market. (22)

Australia's adoption of the Indo-Pacific nomenclature has an idiosyncratic emphasis on building an "open and prosperous Indo-Pacific" coupled with "strengthening and diversifying partnerships across the globe". (23) However, this flexibility and proclivity towards China has been questioned in the post-COVID-19 era. At the forefront was the alleged Chinese interreference in Australian domestic politics in 2017. (24) Building from this antecedent was

a distinct assertiveness in China's approach to its foreign policy, which was perhaps symbolised by its highhandedness in handling the relationship with Australia during the pandemic. (25) Disillusioned with China, Australia has sought a closer relationship with the other Quad countries, eventually participating for the second time in the annual Malabar naval exercises with India, the US and Japan. (26)

Conclusion

The prospect of an increasingly assertive China remains a key driver for countries in the region rallying to protect shared norms and values under the banner of the Indo-Pacific. Apart from the Quad nations, the UK, France, the Netherlands, Germany, Indonesia, and the Association of Southeast Asian Nations have already adopted the new nomenclature. (27) It is in this backdrop that China continues to make significant efforts to reverse the tide and discredit the idea of an Indo-Pacific. (28)

The Indo-Pacific concept is not just about containing China or functioning as a regional economic platform, but is a logical conclusion to the evolving needs the countries in the region. Viewing the creation of the Indo-Pacific only through the 'new NATO' or 'single maritime entity' narrative is limiting as it overlooks key regional and global complexities that could shape it.

The Indo-Pacific construct and its associated values are here to stay. The Quad will only solidify as the needs and interests of the four countries align further. What remains to be seen is how the remaining countries in the region react to this construct, which will have significant geoeconomic and geopolitical impacts.

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Intersections Between Free and Open Indo-Pacific and Other Regional Templates

David Scott

Over the last decade, various intersecting templates for analysis and policy have flooded around the Indo-Pacific.

The starting point must be China. Although China famously compared talk of the "Indo-Pacific" to "froth" on the ocean that would blow away, in reality, Beijing has projected itself across the Indo-Pacific in geopolitical and geoeconomic fashion. (1) The country's two-navy strategy, operating since the late 1990s, involves increasing naval operation in the Pacific and Indian Oceans, and the Maritime Silk Road initiative pushed by China since 2013 takes China from the South Pacific to Southeast Asia and the Indian Ocean. From India's point of view, this penetration is little more than the 'string of pearls' strategy suggested in 2005 that China has always denied but that is now leaving her with increasing port access and facilities. (2)

China's increasing military appearance in both oceans led to former Japanese Prime Minister Shinzo Abe's call for a "confluence of the oceans" in August 2007 for security cooperation between Japan and India, as well as seeking a "democratic security diamond" in

December 2012 between Australia, India, Japan and the US, a call denounced in the Chinese state media. (3) It also triggered increasing naval cooperation between India and Vietnam, between Australia, India, Japan and the US through the Quadrilateral Security Dialogue (Quad), and also between the Quad and France. Although many Indo-Pacific states embraced the Maritime Silk Road, the US and India moved to boycott China's flagship initiative, refusing to take part in the Belt and Road Forum held in Beijing in April 2019. Alternatives were mooted. The Obama administration proposed an Indo-Pacific Economic Corridor linking South Asia with South-East Asia, while India and Japan proposed an Africa-Asia Growth Corridor in 2017, but neither scheme was operationalised. The Australia-Japan-India Blue Dot Network did get off the ground with funding committed and projects started in 2020, complete with interest from India and criticisms from China. (4)

Free and Open Indo-Pacific

China's advances triggered the Free and Open Indo-Pacific (FOIP) initiative, coined by Abe in August 2016 and which immediately became the official mantra of Japanese regional policy. After initially ignoring the 'Indo-Pacific' term, the Trump administration adopted the FOIP phrasing in autumn 2017, a stance frequently and consistently denounced in China. (5)

The FOIP focussed on 'free' and 'open'. Free pointed politically to freedom and democracy, and economically to free enterprise, free markets and freedom of movement on the seas. This drove US freedom of navigation operations in the South China Sea. Open related politically to an open society, and economically to open access to markets, resources and commercial routes. This was a clear implicit critique of China's political system and its geoeconomic and geopolitical push through the Indo-Pacific. Whereas Japan came to emphasise the economic side (and losing sight of the necessary military side), the US highlighted the military side (and losing sight of the necessary economic side) of the FOIP.

A problem with the FOIP is that it became associated with explicit China-containment, forcing regional countries to choose between the US and China. Accordingly, the message was pushed by India,

and welcomed in China, that the FOIP was *inclusive*. (6) This was a successful move in some sense, since Australia, Japan and the US then also used the phrasing in meetings with India. The keen observer would note that the original FOIP phrasing was used by the US and Japan in their bilateral meetings, with the word "inclusive" often dropped.

In one sense, this "inclusive" addition was reasonable enough since it could be put to Association of Southeast Asian Nations (ASEAN) countries and others that they were to be included in the scope of the FOIP and that it was not just a framework for the bigger China-concerned states. However, to suggest that the FOIP was expected or designed to be inclusive of China misses its purpose. The FOIP was generated as a response against China; FOIP values were enunciated precisely because China's values were the opposite. To include China (the problem and threat) within FOIP makes little strategic sense, and, if taken seriously, would undermine FOIP coherence and ability to pursue its stated free and open agenda.

Indo-Pacific Defense Initiative

The US military side of the FOIP was encapsulated in the Indo-Pacific Defense Initiative (IPDI) passed in January 2021 with bipartisan support. IPDI funding was set at US$2.2 billion, within a record US$740.5 billion budget. It included the explicit denunciation of Chinese actions in the South China Sea and its Maritime Silk Road push, named projects for reinforcing the US military position in the Western Pacific, and pinpointed strengthening military-security with states increasingly concerned about China like Australia, Japan and India (and also Taiwan). Two limitations in the IPDI were that it contained no named projects for strengthening the US military position in the Indian Ocean, and only covered 2021. The Biden administration's IPDI proposals for the 2022 financial year, sent to Congress in May-2021, was for US$5.1 billion, within a defence budget that was very much "eyeing China." (7)

The Indo-Pacific Strategic Arc

The FOIP was preceded by Australian-generated phrase Indo-Pacific Strategic Arc (IPSA), first mentioned in the 2013 Defence White Paper and denounced in China. (8) The IPSA was a statement of Australia's own geopolitical identity, facing both the Indian and Pacific Oceans. The "arc" described where Australia intended to focus its foreign and defence policy, namely the Western Pacific, Southeast Asia and the Eastern Indian Ocean. The stated goal of focussing on particular security partnerships running along that arc (Japan, the US, Singapore, Indonesia and India), which bends around China, reflected the explicit reordering of Australian security thinking to implicitly constrain China. Despite close economic links with China, Australia has moved to strengthen such military security links around that country. Alongside its reaffirmed security links with the US, Australia has particularly strengthened defence relations with France, India and Japan. This was also on show with the Indo-Pacific Endeavour 2019 deployments, which saw significant maritime exercising across the Indo-Pacific with the French, Indian, Japanese and US navies. This was also reflected in October 2020 when Australia joined the hitherto trilateral India-Japan-US Malabar naval exercises, thereby in effect militarily operationalising the Quad.

Indo-Pacific Axis

This term was coined by France's President Emmanuel Macron during his visit to Australia and New Caledonia in May 2018. In New Caledonia, Macron talked of his "geopolitical ambition" to shape an "axis" (*l'axe*) between France, Australia India and Australia, while warning against creeping Chinese regional hegemony, a stance denounced by China. (9) A trilateral dialogue structure with Australia and India was set up in December 2020, focussing on maritime cooperation, 'geostrategic challenges' and 'adherence to international law in the Indo-Pacific.'

French security interests were reiterated in May 2019 through the defence ministry document 'France and Security in the Indo-Pacific.' (10) French strategy involves strengthening its security and military relations with Australia, India and Japan, complete with shared Indo-Pacific rhetoric on a free, open and secure/

inclusive Indo-Pacific. Trilateral military exercises between France, Japan and the US were initiated in 2017. France also deployed its carrier groups to the Indian Ocean in 2019, and again in 2021, where they carried out various bilateral, trilateral and quadrilateral exercises with naval units from Australia, India, Japan and the US.

ASEAN Indo-Pacific Outlook

Indonesia pushed the Indo-Pacific Cooperation Concept during 2018, reappearing as the ASEAN Outlook on the Indo-Pacific in June 2019. The ASEAN Outlook represented an attempt to avoid a close identification with the US or with China, and as such, avoided any mention of US or Chinese Indo-Pacific initiatives. Instead, it emphasised "ASEAN centrality," whereby Indo-Pacific regional cooperation would be steered through the ASEAN. It called for low-key economic cooperation and connectivity, with maritime cooperation focussing on combating pollution and sea piracy, and drugs trafficking rescue and safety matters. There were some mentions of norms, with a call for freedom of navigation and overflight, respect for international law and observance of the United Nations Convention on the Law of the Sea. Australia and India warmly welcomed this initiative. However, while the US noted its norms and China its calls for economic cooperation, neither particularly embraced its demand for an ASEAN-led process. 'ASEAN centrality' is often stressed but in reality, the ASEAN is too small a bloc to steer major powers like the US or China. By having nothing to say on hard security issues, or on Chinese policies, the ASEAN Outlook is perhaps left as a weak and ineffectual document.

Indo-Pacific Oceans Initiative

The Indo-Pacific Oceans Initiative (IPOI) was proposed by Indian Prime Minister Narendra Modi at the 2019 East Asia Summit, driving forward from his Security and Growth for All in the Region (or SAGAR) proposal for the Indian Ocean. Modi described the IPOI as being "to work collaboratively to safeguard the oceans including from plastic litter; build capacity and fairly share resources; reduce disaster risk; enhance science, technology and academic cooperation; and promote free, fair and mutually beneficial trade and maritime transport." (11) No country rejected

the IPOI, with Australia and Indonesia particularly quick to endorse it. This was a skilful attempt to augment India's soft power and sidestep some of the allure of China's Maritime Silk Road. However, practical financing was absent, and no institutional machinery was set up to deliver it. Moreover, its goals were either low picking fruits or vague. Security issues were noticeably absent, and there was no direct grappling with China's economic push in the region.

Conclusion

There are two types of Indo-Pacific formulations. The ASEAN Outlook and the IPOI both stress economic and environmental cooperation that is difficult to argue against. However, they are perhaps too limited. As aspirational rather than operationally financed frameworks, they avoid dealing with the central problem of the Indo-Pacific—China's geoeconomic and geopolitical push. In contrast, the Indo-Pacific Strategic Arc, the FOIP and the Indo-Pacific Axis are overlapping politicised security pushbacks against China—and were unsurprisingly denounced by China. But the more China denounces specific Indo-Pacific initiatives, perhaps the more merit those initiatives gain.

Meanwhile, China continues to fear closer Indo-Pacific security agreements between its neighbours and their cooperation with the US. Beijing continues to vociferously warn against the Quad initiative, a mini "Indo-Pacific NATO being formed against China" by Australia, India, Japan and the US. (12) Beijing also fears an expansion of the Quad. (13) Moves by India, Japan and Australia to set up a post-COVID-19 Indo-Pacific trilateral supply chain were also denounced in China. (14) China had hoped for a US turn under President Joe Biden from "Indo-Pacific" security partnerships to a less involved "Asia-Pacific" economic stance. (15) These hopes have been dashed as Biden instead reiterated support for the FOIP concept, with particular emphasis now being placed by him on the Quad for Indo-Pacific security cooperation.

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In Defence of the Indo-Pacific Concept

Sanjay Pulipaka and Mohit Musaddi

The Indo-Pacific region has a long history but has only gained prominence in the past decade. Regions in international politics are dynamic rather than static. They are a consequence of power relations and the conceptualisation of regions (such as the Indian subcontinent, South Asia, Southeast Asia, Asia-Pacific and now the Indo-Pacific) have evolved with the changing power dynamics. Additionally, the boundaries of regions are arbitrary. It is unclear why the Asia-Pacific boundary stops at Myanmar and does not include India. Similarly, given Myanmar's historic location within British India, its exclusion from South Asian frameworks is also not based on a rational criterion. This is perhaps an indication that the boundaries of international regions are contingent on political interests.

Tracing the Origins

The origin of the term Indo-Pacific is traced to German geopolitical scholar Karl Haushofer who used it in the 1920s in his work 'Indopazifischen Raum,' (1) while Indian historian Kalidas Nag referenced it in the 1940s. (2) The modern use of the term gained prominence after former Japanese Prime Minister Shinzo

Abe's speech in the Indian parliament in August 2007, where he remarked that, "we are now at a point at which the *Confluence of the Two Seas* is coming into being. The Pacific and the Indian Oceans are now bringing about a dynamic coupling as seas of freedom and of prosperity." (3) The speech was an important footnote at a time when power shifts from the West to East was gaining prominence. Multipolarity was fast emerging in Asia, and there was a need to further strengthen it. To that end, frameworks such as the Asia-Pacific were proving to be limited in scope and were unable to meet the geopolitical requirements and respond to emerging economic interactions.

Japan was among the first countries to use the phrase 'Free and Open Indo-Pacific' in its official discourse. In 2017, the US adopted the concept and translated it into the three pillars of security, economics and governance. (4) The US's 2017 National Security Strategy (5), 2018 National Defence Strategy (6) and 2019 Indo-Pacific Strategy Report (7) mark an inflexion point in the evolution of the concept. While the Middle East has captured a significant amount of the US's attention and resources in recent years, the Indo-Pacific's economic heft and security prominence means that Washington has begun to pay more attention to the region.

India's Indo-Pacific policy was clearly enunciated by Prime Minister Narendra Modi at the Shangri-La Dialogue in 2018 where he stressed on seven elements of the country's vision for the region. These principles included keeping the region "free, open [and] inclusive," the centrality of the Association of Southeast Asian Nations (ASEAN), and the importance of connectivity. (8) To assuage concerns that the Indo-Pacific concept will undermine ASEAN centrality, leading powers like the US, India and Japan have reiterated that the grouping will be the pivot under which the construct revolves. (9)

In June 2019, the ASEAN released its Outlook on the Indo-Pacific, which is consistent with and anchored in the principles of ASEAN centrality through ASEAN-led mechanisms like the East Asia Summit (EAS). (10) It is not aimed at creating new mechanisms but is rather "an Outlook intended to enhance ASEAN's Community building process and to strengthen and give new momentum for

existing ASEAN-led mechanisms to better face challenges and seize opportunities arising from the current and future regional and global environments." (11)

European countries are also taking a stance on the Indo-Pacific. France, through its chain of islands in the Indian and Pacific Oceans, is a resident power in the Indo-Pacific and released a strategy for the region in June 2019. (12) Germany also adopted policy guidelines on the Indo-Pacific in September 2020. (13) There is significant potential for the EU to adopt a unified approach to the region, especially given that more than 35 percent of all European exports go to this region, making the European bloc the largest trading partner for several Indo-Pacific economies. (14) Moreover, close to 90 percent of those exports are transited through sea lanes of the Indian and Pacific Oceans. (15)

While India and Japan have spoken of the Indo-Pacific's geographic expanse as extending from the US's west coast to Africa's east coast, Washington has until recently referred to the Indo-Pacific as being a stretch "from Hollywood to Bollywood, and from penguins to polar bears." (16) In essence, the US definition of the Indo-Pacific stopped at the Western shores of India, ignoring key regions such as the Gulf, West Asia and East Africa. (17) Australia, which was among the first countries to officially embrace the Indo-Pacific concept, defines the region as being a stretch from "the eastern Indian Ocean to the Pacific Ocean connected by Southeast Asia, including India, North Asia and the United States." (18)

Many countries have enacted institutional changes that showcases the growing acceptance of the Indo-Pacific concept. For instance, India's Ministry of External Affairs has created a new Indo-Pacific Division as well as a new Oceania Division. (19) Similarly, the US renamed its USPACOM (US Pacific Command) to USINDOPACOM (US Indo-Pacific Command), and President Joe Biden appointed Kurt Campbell as the Indo-Pacific coordinator of the US National Security Council. (20)

India: Linchpin of the Indo-Pacific

Many factors have contributed to the rise of the Indo-Pacific. In cultural terms, India's presence has been felt in distant Indo-Pacific

countries. While the Angkor Wat in Cambodia is well known, the Cham civilisation in Vietnam also shared a common culture with India (21) and the name Indonesia is derived from Greek words *Indos* and *nesos* meaning Indian islands. (22) The presence is such that "the influence of Indian culture and language has permeated Southeast Asia organically and without state sponsorship, political imposition or concrete effort". (23) In addition to India's cultural influence in distant lands, there are geopolitical and geoeconomic reasons for the growing salience of the Indo-Pacific.

There is a popular argument that the concept of the Indo-Pacific is an attempt to contain China. For instance, in January 2020, Russian Foreign Minister Sergey Lavrov said that the Indo-Pacific concept was aimed at containing China. (24) However, the growing salience of the Indo-Pacific is a consequence of the rise of India and has more to do with the changing dynamic of economic interactions in the region. There cannot be an Asia-wide concept without the inclusion of India as an economic and military power. Countries such as the US, China, Singapore, Indonesia, Japan and Malaysia are among the top 15 of India's trade partners. (25) India's trade with ASEAN has also registered a steady improvement. (26) In terms of investments, Japan and Singapore are leading investors in India after Mauritius. (27) India and the US share a robust defence relationship as well, with New Delhi regularly procuring high-end defence equipment from Washington. (28) Similarly, India's defence relationship with Vietnam and Singapore are also on the rise with periodic military exercises. (29) Indo-Pacific countries are invited as participants and observers to India's annual naval exercise, MILAN. (30) India is also working on Maritime Domain Awareness with small island states such as the Maldives, Seychelles and Mauritius. (31) New Delhi and Paris are coordinating in the western and southern Indian Ocean, and India is a key pillar in France's Indo-Pacific strategy. (32) India is also engaging with countries like Mongolia and Fiji under the rubric of its Act East policy. The Forum for Indo-Pacific Island Cooperation, developed in 2014 between India and 14 Pacific Island states, has also gained momentum in recent years. India is a dialogue partner in ASEAN, and a member of the ASEAN Regional Forum and the EAS.

India has not been part of economic and security architectures since the end of Second World War as they were focused on the Asia-Pacific, and has made strenuous unsuccessful efforts to be part of regional frameworks such as the Asia-Pacific Economic Cooperation. The emergence of the Indo-Pacific celebrates India's prominence in the larger region, and such geopolitical shifts will compel various regional frameworks to factor in India's presence in the emerging economic and security architectures.

Towards Greater Cohesion

The Indo-Pacific concept highlights that the security dynamic is linked. (33) It is increasingly evident that developments in the Senkaku Islands, the South China Sea and the Himalayas are closely intertwined. Any alteration in the balance of power in one subregion will have ripple effects in other subregions within the Indo-Pacific.

Given the expansive nature of the Indo-Pacific, its cohesiveness may come under question. But it is important to remember that the Indo-Pacific is a conceptual framework and not a regional organisation. The term is also often erroneously used interchangeably with the Quad (Quadrilateral Security Dialogue, comprising Australia, India, Japan and the US). While the Indo-Pacific is a region that highlights economic and security interdependence, the Quad is a minilateral framework of leading democracies within the region. The security architecture of the Indo-Pacific region is still evolving, and the Quad constitutes an important pillar of it. For the foreseeable future, the overarching security architecture of the Indo-Pacific will be an amalgamation of various security frameworks, and the Quad will have a crucial role. In the first-ever Quad Leaders' Summit on 12 March 2021, the joint statement committed to "promoting a free, open rules-based order, rooted in international law to advance security and prosperity and counter threats to both in the Indo-Pacific and beyond". (34) Other frameworks such as the Quad-plus has also come into play, particularly to contain and manage responses to the COVID-19 pandemic. (35) There are other frameworks as well, such as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, Mekong-Ganga Cooperation and the EAS forum, to provide a bridge between the Indo-Pacific's sub-regions.

The COVID-19 pandemic has upended supply chains across the world. (36) As a consequence, there are ongoing discussions on creating new frameworks for global supply chain resilience. Japan has proposed a Supply Chain Resilience Initiative (SCRI) with India and Australia. (37) The emergence of the SCRI with Tokyo, Canberra and New Delhi as initial members reiterates the value of the Indo-Pacific—Japan a Pacific country, Australia in the middle of the Indian and Pacific Ocean, and India located at the heart of the Indian Ocean are coming together to enhance economic cooperation.

Regional constructs like the Indo-Pacific take time to evolve, and the current geopolitical dynamics in the Indian and Pacific Oceans have created a conducive environment for the concept to be further strengthened. It is also a response to the hitherto closed regional frameworks that were based on rigid geographic spaces and boundaries; the Indo-Pacific is an open and dynamic framework that defines the region based on economic and human interactions.

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Chinese Checkers: Driving Alignments in the Indo-Pacific

Shruti Pandalai

The year 2020 was an inflection point for relations between China and the world. Things came to head as the US-China strategic competition intensified across multiple domains and geographies while a global pandemic raged on. The Indo-Pacific region became the primary theatre of contest in the realm of trade, technology, territory, and governance, and saw unprecedented belligerence in the military domain. India's borders saw blood spilt for the first time in decades and another tense Himalayan standoff. The turbulence in the South China Sea and the East China Sea was strong and the future of Hong Kong and Taiwan saw China digging in its heels. If 2020 was about "China's sovereignty obsession" (1) to reject any perception of "a Beijing weakened or distracted by coronavirus and its economic aftershocks," in 2021, China under President Xi Jinping—having vanquished the pandemic—is moving closer to regaining "its rightful historic status as a great power, while established powers are riven by dysfunction." (2)

As the Chinese Communist Party (CCP) turns 100, there is a concerted effort to portray an overwhelmingly positive story, (3) one linking its "glorious revolutionary past" to its current

achievements under Xi. The time is ripe for realising the party's plans for the declared goal of the "China Dream," as proposed by Xi in 2017. The dream demands the achieving of "Two 100s," where China becomes a "moderately well-off society" by 2021 and attains its modernisation goal to become a fully developed nation by 2049. China has also rolled out the "Made in China 2025" programme with an aim to dominate science and technology globally by replacing the US and has spearheaded international financial institutions like the Asian Infrastructure Investment Bank, the BRICS New Development Bank, and the Silk Road Fund as a symbol of its ability to offer alternate sources of funding to developing countries. These and the grand Belt and Road Initiative weave together China's ambitious plans for national rejuvenation. The goal is guaranteed global preeminence—one where its economy is three times that of the US and its military power unmatched.

China's defence budget has been hiked to US$209 billion in 2021, (4) about three times more than that of India. The construction of artificial islands in the South China Sea and establishment of military bases (from Djibouti in the Horn of Africa and Tajikistan in Central Asia) to the financing and construction of naval bases (like Gwadar in Pakistan) are part of China's self-described path to realising its superpower status. The Chinese Navy has been expanding its footprint gradually. China has blatantly advertised how it "can powerfully counter US threats in first, second island chains" (5) even as US observers warn that "Washington has grown uneasy about Beijing's power projection capabilities, particularly its conventional ballistic and cruise missiles, that can now saturate the First Island Chain and increasingly threaten U.S. military positions in the Second Island Chain." (6)

Connecting the dots, what emerges is a Chinese blueprint for an Indo-Pacific replete with Chinese characteristics.

China 'Driving' New Alignments in Indo-Pacific

With Sino-US strategic competition intensifying, the Indo-Pacific region has borne the brunt of competing visions. As countries band together to preserve a 'rules-based global order' to ward off Chinese unilateralism, Beijing is unapologetic. China seems to maintain

that if it has learnt any lessons from the past (making the case against the US), (7) it is this—for large and influential countries, respecting the rules-based order is a choice, one that China is unwilling to make. (8) Roughly this translates into Beijing picking and choosing its behaviour toward various institutions, norms and rules, one where it will most likely flout rules related to regional security yet attempt to create new ones in the regional economic space. As China rises and moves towards the centre of global realignments, its ideas of a multipolar world order revolve around its centrality. Such an assertion has triggered global anxiety and driven alignments in the Indo-Pacific to secure collective interests; first in terms of a multipolar Asia, and second towards a multipolar global order.

When Chinese Foreign Minister Wang Yi argued that the Indo-Pacific conceptualisation, especially the Quadrilateral Security Dialogue (Quad), was another "headline grabbing idea…like the foam on the sea" that "gets attention but will soon dissipate," he perhaps had not anticipated that it would indeed be Beijing's actions that concretise this new mental map of the world. China now speaks of the US, India, Japan and Australia coming together in the Quad as the "Asian NATO," yet for many in that grouping it was China's unfettered unilateralism that ignored legitimate security concerns that galvanised them into formalising networks to act as safety nets within the Indo-Pacific.

According to Indian Foreign Secretary Harsh Shringla, India has "mainstreamed the Indo-Pacific," (9) outlining its calibrated approach to the region. If one were to take India's case alone, the last few years have been defined by the country's strategic boldness in the region by cementing foundational agreements in the defence cooperation with the US; forging deeper security linkages with Japan, Australia, France, the UK, Singapore and South Korea; enhanced engagement with West Asia and Africa; and a focused cultivation of Pacific Island states and Indian Ocean states. With the Security and Growth for All in the Region (or SAGAR) blueprint for the Indo-Pacific and its multilateral platforms (including the Indo-Pacific Oceans Initiative, International Solar Alliance and Global Coalition for Disaster Resilient Infrastructure), India is proactively looking to collaborate with like-minded countries in the region to ensure economic and security cooperation is

deepened for all partners in the Indo-Pacific. On the defence front, India has been pushing for four broad areas of cooperation—joint exercises, strategic dialogue, maritime surveillance, and capacity building and humanitarian assistance and disaster relief (HADR). During the COVID-19 outbreak, India was able to demonstrate its commitment to the region by being the first responder to many countries that required assistance. Additionally, year-round military patrols in the Indian Ocean, improved maritime domain awareness with partner countries, and increased Indian military training and technical support for Myanmar, Indonesia, Vietnam, Mauritius and the Maldives have continued. There has been a proliferation of bilateral, trilateral, and quadrilateral strategic and defence dialogues, breakthrough military exercises with Japan and Australia, and HADR operations, all aimed at institutionalising a network of cooperation in the region.

The argument that the Indo-Pacific is a loosely formed ad hoc idea only aimed at containing China is losing steam. The Quad dialogue held in March 2020 with senior officials from all four countries as well as from New Zealand, Vietnam and South Korea included discussions on best practices to battle COVID-19, collaboration on vaccine development, and reimagining global trade. India's foreign minister attended an additional round of meetings of the Quad-plus arrangement in May 2020 with Israel, Brazil and South Korea to discuss focusing on global health management, economic recovery and medical cooperation, among other issues. The 2021 Quad meeting featured a joint statement from leaders of US, India, Japan and Australia on their shared vision for the Indo-Pacific, signifying a realisation that managing the many disruptive challenges in the post-pandemic global order, including that of a new, rising superpower, will require collective action.

This call that seems to have resonated. The Association of Southeast Asian Nations (ASEAN) flesh out its Outlook on Indo-Pacific, as have Germany, France, the Netherlands, the UK and the European Union (EU).

Meanwhile, tackling the debate on the dangers of techno-nationalism, the UK has pursued the idea of a club of 10 democratic nations, dubbed the D10, to avoid reliance on China's Huawei for 5G technology. The D10 alliance will include the G7 countries—

Japan, Italy, Germany, France, the UK, the US and Canada—and India, South Korea and Australia. To reduce the overreliance on China for the global supply chains, trade ministers of India, Australia, and Japan launched an initiative on supply chain resilience in September 2020 and invited like-minded countries in the Indo-Pacific to join the effort. We also have seen with the latest G7 Summit an effort by the world's most advanced democracies to develop broad convergences on a China policy, as well as pledge substantial commitments to tackle global vaccine demands and quality infrastructure requirements.

These developments suggest that there is an understanding that efforts to coordinate responses in the post COVID-19 phase, aimed at providing tangible alternatives, are being well received by countries in the region, which were otherwise worried about eliciting a Chinese rebuke to their individual pushback.

The crisscrossing of networks in the Indo-Pacific region have also seen the institutionalisation of a series of minilaterals that are focused on specific outcomes on trade, technology, connectivity, third country cooperation on quick impact projects, and deepening security cooperation. Groupings like India-France-Australia, India-France-Japan, Japan-US-India, India-Australia-Indonesia and India-Japan-Australia, and India's pursuit of national security advisor-level talks with the Maldives and Sri Lanka are part of this emerging landscape in the Indo-Pacific. These examples showcase India's new engagements, but a similar approach has been adopted by many countries, reflecting the growing traction for 'issue-based coalitions' in the Indo-Pacific.

China's Eternal Struggle with the US: Implications for Indo-Pacific

It has been argued that "Beijing appears to be preparing for a long-term struggle with a declining but still dangerous United States." (10) Washington's China watchers believe that the Chinese leadership has "re-evaluated long-term trends and concluded that it no longer can base its national plans on expectations of generally stable relations with the United States." (11) Xi's proposal to promote a "dual circulation" economic strategy is being seen

as China preparing for this eternal struggle. Xi has declared that "only by being self-reliant and developing the domestic market and smoothing out internal circulation can we achieve vibrant growth and development, regardless of the hostility in the outside world." (12) According to China, the results are for the world to see; in 2020, the world became more reliant on China for growth.

From Washington's lens three lines of effort are being set forth by Beijing in response, according to experts like Ryan Has from the Brookings Institution: (13)

Maintaining a non-hostile external environment with caveats: This involves a tactical lowering of tensions with the US and those seen as allies, strengthening ties with neighbours, deepening relations with Russia, and appealing to the EU's economic priorities, all of which have played out recently. China seems to believe keeping external problems at bay will help reprioritise domestic campaigns where the public perception is key to strengthen legitimacy at home. However, this does not mean that China will be seen as ceding to demands "to moderate its approach to Xinjiang, Hong Kong, Tibet, human rights, or Taiwan," for if it must prepare for an eternal struggle, weakness will no longer be a virtue.

Bring neighbours closer, increase 'dependence on China': China's conclusion of the Regional Comprehensive Economic Partnership was seen as an effort to ensure China will remain central to regional value chains, and not out of them. China's push for economic revival after the brutal impact of COVID-19 has been welcomed in the ASEAN nations that sometimes view the Indo-Pacific mantra of 'ASEAN centrality' with some scepticism. In 2020, the ASEAN bloc became China's top trading partner, with the EU moving to second place and the US falling to third. China's aims of reaching a US$300 trillion economy and recording the largest surplus in the post-pandemic order is being seen signs of Beijing's increasing influence. However, as a survey of Southeast Asia's policy elite revealed, despite being both the most influential power in Southeast Asia and providing the most help to ASEAN countries during the pandemic, China is increasingly distrusted in the region. The US under President Joe Biden has renewed expectations in the region and there exists a willingness to choose sides. This is significant

given that the region is one of the primary theatres of Sino-US competition. This is a tight rope that the region is walking on, and it will accentuate tensions in the Indo-Pacific.

Expanding influence, telling China's story well: Apart from instances of attempting to export its model of authoritarianism abroad, especially in countries in Africa and Latin America, there are constant moves to strengthen China's discourse power, which is seen as central to efforts at security legitimacy at home and abroad. Control of the media at home and expansive media acquisition abroad have become central to ensuring its version of history prevails. This is imperative to maintaining the CCP's political power as it bolsters "Chinese victories" while downplaying or erasing past policy failures. Observers posit that 'getting the Party's "story of China" out to the wider world is vital for its international image and discursive power' for CCP leadership "today sees history as an existential matter." (14) Any perceived slights to China's perceived image of itself invites backlash, as Australia, (15) India (16) and other countries in the region have witnessed. Reports on China's use of coercion, sharp power and disinformation to interfere in other country's domestic political decisions are now commonplace. The China Media Project recently reported that "Chongqing Releases," an official channel operated by the municipal government in Chongqing, advertised a call for hiring global English-proficient candidates to help operate its overseas multimedia platforms. (17) Xi's latest call to make China's image loveable, (18) seems to have come after a global push back against its now all-pervasive wolf warrior diplomacy.

In the post-truth world where distrust and verify seem to have become the norm, China is willing to dig deep into its pockets to make sure its story wins.

Managing China in the Indo-Pacific

As China ups its stake for global leadership, the choppy waters of the Indo-Pacific will continue to be the focal point for strategic competition. The perception that China will prevail despite the erosion of goodwill and its image internationally has been normalised. China has been able to successfully exploit faultiness in open societies in major Indo-Pacific countries. China's growing

and consistent economic might will continue to cast a shadow on any momentum achieved among like-minded countries in the Indo-Pacific as an economic pillar to the region that anchors a stable security architecture has yet to emerge. Expectations on future burden-sharing arrangements in the region will require the US to show up more often, providing credible signals of political will as much as demonstrating US capability. China's relationship with major power in the Indo-Pacific will continue to be viewed primarily from the lens of Sino-US competition, and it may in some cases choose to pursue a measure of mutual accommodation that might be preferable to escalation. In either case, issue-based coalitions where function drives engagement will continue to be the way forward. To manage the risks of China's rapid military modernisation, like-minded countries will need to think much more seriously about how to integrate their capabilities and obtain advantages of scale over Beijing. This goal will be even more pressing in a post-pandemic era.

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Biden and the Indo-Pacific: Towards a 'Leading From Behind' Strategy

Kashish Parpiani

In his maiden address to the US Congress, President Joe Biden affirmed the country's commitments to the Indo-Pacific by citing his administration's efforts to "maintain a strong military presence in the Indo-Pacific just as we do with NATO in Europe, not to start conflict, but to prevent conflict." (1) This reflected continuity with the fundamentals of the erstwhile 'Pivot to Asia' strategy, which (in hindsight) served as the precursor to the Trump administration's Indo-Pacific strategy. Under the Obama administration, one of the "six key lines of action" of the pivot was the US "forging a broad-based military presence" in the region. (2) Biden's commitment on the matter is clear with his administration continuing the Trump-era policy of "strategic predictability, operational unpredictability" (3) by keeping pace with his predecessor on the frequency of US Freedom of Navigation operations in the region. (4)

However, beyond such emphasis on asserting the US Navy's forward presence in the Indo-Pacific, a closer look at Biden's actions reflect long-term inclinations to offshore balance in the region.

Cultivating Tokyo as the Stand-in Power

During the 2020 presidential election, Biden often derided Trump's nativism to argue for a return to US stewardship of the liberal world order. However, his administration has embraced a degree of 'America First' motivations, as reflected in its initial decision to restrict the export of COVID-19 vaccines and its efforts to end prolonged US military engagements.

Some analysts have now begun to also warn of US overextension in the Indo-Pacific, by noting the region to be "rife with unrealistic expectations and unvetted assumptions" and calling for the US to invoke the Indo-Pacific "only as a balancing game against China." (5) The relevance of such a line of thinking was apparent in the high-level visits in March 2021 of US national security officials to Japan, South Korea, and India (6) —three of the most important US partners in the Indo-Pacific—ahead of the first summit between Biden officials and their Chinese counterparts in Alaska. (7)

In addition, recent developments have lent credence to early reports of deliberations amongst Biden national security officials over a 'lead from behind' strategy, whereby Japan will play "a placeholder role" while the US will focus on its domestic agenda. (8) Biden placing high priority on US-Japan ties was apparent with Secretary of State Antony Blinken and Secretary of Defense Lloyd Austin choosing Japan as the destination of their first overseas travel, (9) and Japanese Prime Minister Yoshihide Suga being the first foreign leader to visit Biden in person at the White House. (10)

The latter notably culminated in the release of the 'US–Japan Global Partnership for a New Era,' which will "serve as the guiding post" for bilateral cooperation in the Indo-Pacific. (11) The policy document sought to "remake" alliance commitments in context of the "new era" of the Indo-Pacific, jointly outline shared concerns over "Chinese activities that are inconsistent with the international rules-based order," and align positions on competitiveness and innovation; COVID-19 response, global health, and health security; and climate change, clean energy, and green growth and recovery. (12)

Bolstering Regional Capabilities

In a January 2021 article, Kurt Campbell—who subsequently joined the Biden administration as the first US Indo-Pacific Coordinator—advocated for the US to cultivate a regional balance through "an allied and partner coalition" that the region's countries "recognize as legitimate". (13)

US focus on such an effort has been apparent in recent developments over the Quadrilateral Security Dialogue (Quad). Biden's second multilateral engagement since assuming the US presidency was the first-ever leader-level summit of the Quad in March 2021. It culminated with an agreement between Japan, India, Australia and the US to lead the manufacturing and distribution of COVID-19 vaccines across the Indo-Pacific. (14) This initiative was seen as a "proof of concept" for the Quad's abilities, (15) in context of the US's aim to have the group "lead the Indo-Pacific." (16)

Furthermore, the US has also sought to bolster India's potential as a manufacturing hub in the region. The vaccine initiative, for instance, included commitments by the US International Development Finance Corporation (DFC) to finance the expansion of Indian biopharmaceutical company Biological E's capacity to produce a minimum of one billion doses of COVID-19 vaccines by the end of 2022. (17) This followed the announcement of other DFC commitments such as US$100 million in loans to Indian small- and medium-sized enterprises focused on women's empowerment; US$55 million in loans to Indian agricultural organisations; and designating US$10 million for short-term loans to disadvantaged small businesses to increase financial inclusion in India. (18)

Impetus to Extra-Regional Activism

The Biden administration has also aided the internationalisation of the Indo-Pacific strategy by encouraging activism from extra-regional players. For instance, apart from France's February 2021 dispatch of warships to transit the South China Sea, (19) Paris has actualised its "resident power" status in the Indian Ocean by ramping up maritime cooperation with India over the past two years. (20) In recognising such proactiveness by France towards the common aim of cultivating a 'Free and Open Indo-Pacific',

Washington has engaged in a slew of bilateral and plurilateral maritime engagements with Paris.

For instance, in end-April, the French Marine Nationale participated in the US-led multilateral mine countermeasures exercise Artemis Trident 21 in the Arabian Gulf along with the Australian Navy and the UK's Royal Navy. (21) This followed the US's Dwight D. Eisenhower Carrier Strike Group conducting dual-carrier flight operations with the French Navy's Charles de Gaulle Carrier Strike Group in the Arabian Sea in mid-April. (22) Although these exercises were conducted under the aegis of the US Central Command, its relevance for the Indo-Pacific cannot be understated since the US has long been criticised for belatedly recognising or undermining the relevance of the Northwest Indian Ocean region under the Indo-Pacific strategy.

Finally, amidst ongoing speculations of a lateral expansion of the Quad into a Quad-plus framework, the French Navy led the navies of Australia, Japan, India, and the US under the La Pérouse naval exercise in the Bay of Bengal in early April. (23)

Hence, despite broad continuity over the US's role in the Indo-Pacific, the Biden administration's actions seem to be geared towards cultivating an environment conducive for the US to offshore balance in the region.

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Examining the EU's Indo-Pacific Strategy

Swati Prabhu

A large trading bloc, the European Union (EU) has an inherent interest in maritime security and maintaining regional stability. Although Europe is geographically far removed from the Indo-Pacific, the EU has placed huge bets in Asia's economic stability and the connectivity of sea lanes between the two continents. The EU unveiled its first-ever Indo-Pacific strategy in April 2021 with the adoption of the Council Conclusions, (1) implying that the Council has now formally directed the European Commission and the High Representative to concretise a formal strategy by September for the geopolitically and geoeconomically important region.

A *Distinct* EU Strategy

The EU's strategy on the Indo-Pacific has been hard to determine due to the indecisiveness within the European Commission. The Commission's role has tended to be peripheral due to the maze-like institutional architecture of the EU, marred by internal incoherence among the member states. Although members like France which released its Indo-Pacific strategy in 2018, Germany and the Netherlands following suit in 2020 , the EU's ties with

the region was still determined by the EU Strategy Connecting Europe and Asia released in 2018, and that emphasised sustainable, comprehensive, and a rules-based connectivity. (2) This was further reinforced by a Council Conclusion released that year ('Enhanced EU Security Cooperation in and with Asia') that committed to "deepening cooperation" with the Association of Southeast Asian Nations (ASEAN) and China, India, Japan and South Korea, (3) through several key areas—maritime security, cyber security, counter-terrorism, hybrid threats, conflict prevention, proliferation of biological radiological and chemical weapons, and the development of regional cooperative orders. Given the rapidly evolving security landscape, Europe is aware that connectivity and partnerships will play a critical role. This is also illustrated in the way the global geopolitical spotlight is shifting from 'hard' to 'soft' elements. (4) In this context, European Commission President Ursula von der Leyen's comments that increasing the EU's footprint through connectivity and partnerships will facilitate its place in the world order are extremely pertinent. (5)

The recently announced EU's Indo-Pacific strategy shows that a new kind of realism has dawned on Brussels, especially concerning its geopolitical outlook. Breaking its disillusionment with China, the EU is also aiming to bridge the divide with Washington on the key Beijing issue. However, it does not pick a side between the US and China camps. It makes ancillary references to geopolitical competition, increasing tension and trade and supply chains, and the universality of human rights, particularly in the context of COVID-19. The EU appears to be playing it safe with the new strategy, but sends a clear message of contributing to the strengthening of regional organisation, taking strict measures towards global issues, such as climate change, and achieving the Sustainable Development Goals (SDGs). This message is important to Europe's friends and foes alike. (6) The strategy appears to reiterate EU High Representative Josep Borrell's stance that the grouping would not pick a side in the US-China competition as Brussels believes in fostering multilateralism and cooperation; to keep afloat "in rougher seas," the EU must empower itself to deal with a more competitive geopolitical landscape, currently exemplified in the form of the intensifying Sino-US rivalry. (7)

A major contributing factor in the evolution of a distinct EU strategy on the Indo-Pacific are the stances adopted by the member states, including on China. In a 2019 assessment of its ties with China, the EU termed it as a "systemic rival" and a "strategic competitor." (8) France and Germany were among the first EU countries to declare Indo-Pacific strategies. France's inclusion of the Indo-Pacific in its foreign policy (9) came soon after China's dismissal of the construct as an "attention-grabbing idea" that will "dissipate like ocean foam". (10) Germany, on the other hand, appears to want to promote more of an EU approach on the Indo-Pacific, by expressing a desire to be an external balancer in the region without exercising any real power. (11) Given its economic dependence on China, Germany is not too keen to cut ties with the Asian dragon. Unlike France, Germany's Indo-Pacific policy is not directed to curb China; it is more of a China-plus plan.

The Netherlands has urged the EU to raise the issue of the violations of international law in the South China Sea. (12) In a new policy document, the Dutch government sketched its strategy on the Indo-Pacific, stating that the region should not be reduced to a "plaything between the great powers." (13) A "unique Dutch vision," the policy reiterates the unwavering souring of European attitudes towards China.

The geographical distance between Europe and the Indo-Pacific region partly explains why the EU has been slow to adopt the construct; Brussels believes it has a far greater role to play in the Indian Ocean than the Pacific, making the Indo-Pacific a less exciting prospect for European policymakers. (14) From a maritime perspective, the EU has a meagre presence in the Indo-Pacific, existing primarily in the form of French and British territories and military stations in the region. Given the absence of a lucid definition outlining the region—with some debate on if it is an anti-China grouping—Brussels appears to have been playing a wait-and-watch game before unveiling its stance on the Indo-Pacific.

Development Partnerships

Sustainable development has dominated policy debates since the adoption of the UN 2030 Agenda (the SDGs). SDG 14 details the vitality of oceans, seas, and conservation of marine resources, and the Indo-Pacific represents a harbinger of the sustainability discourse concerning 'life below water'. For instance, the Indian Ocean is a storehouse of seafood resources and a major source of global fishing. (15) Given the limited wherewithal of the island nations in the Pacific concerning climate change mitigation and adaptation, there is a need for knowledge sharing, mobilising finance, and capacity building. This creates an entry point for development partnerships.

Considering the European Commission's bid to expand its geopolitical footprint, the sea lanes of the Indo-Pacific form the artery of communication and free navigation between Europe and Asia. The limited infrastructural capabilities, slowing economic growth in Asia, coupled with the fallout from the COVID-19 pandemic has put developing countries in the Indo-Pacific under immense stress. (16) As a large trading bloc and major provider of development assistance, the EU can deliver three essential things to the Indo-Pacific—resources, norms and expertise. (17)

The Council Conclusions on the Indo-Pacific showcase the EU's keenness on deepening its engagement with the region by enhancing cooperation on ocean governance, connectivity, and building resilience against climate change. This examined alongside the connectivity strategy on Asia, revised in 2019, (18) illustrates the EU's inclination to solidify networks in the transport, energy, digital and human dimensions as a potential counter to China's Belt and Road Initiative. (19) Development partnerships can be key to this goal. For instance, Brussels could consider teaming up with strategic partner India on trade, technology and climate change in the Indo-Pacific. Under the International Solar Alliance umbrella, India's One Sun One World One Grid project intends to connect 140 countries through a common grid to transfer solar power. A joint initiative between the EU and India on this (for instance, leveraging Germany's high-quality solar panel manufacturing capabilities) can construct a competitive and sustainable alternative to the BRI.

Furthermore, the Washington-Canberra-Tokyo connectivity initiative under the Blue Dot Network, is another avenue for the EU to engage with the small littoral states in the Western Indian Ocean to the South Pacific, to further its sustainability agenda. (20)

Moreover, the EU-Japan infrastructure agreement signed in 2019 underscores "sustainable, inclusive and rules-based connectivity from the Indo-Pacific to the Western Balkans and Africa" through €60 billion in investments from the EU, development banks and private investors. (21)

Another way to further the EU's sustainable development agenda as part of its Indo-Pacific strategy is through France and Germany. An alliance between France, Germany, Australia, Japan and India could prove beneficial in preserving the maritime sanctity of the littoral states; a robust regime of principles and norms can be put into practice through partnerships to offset Chinese investments in the region. (22)

The best platform for the EU and its member states to achieve visibility on the Indo-Pacific canvas by partnering with the Quadrilateral Security Group (Quad) countries (India, Australia, Japan and the US) and its allies, in what is known as the Quad+. For this, the EU must recognise that the Indo-Pacific offers both geopolitical and normative footing. To gain traction, the EU requires a consolidated and collaborative effort from the member states and the Commission.

Conclusion

The release of EU's Indo-Pacific strategy is a crucial turning point in the larger geopolitical game. As the largest provider of development assistance, the EU and its member states can play a vital role in the Indo-Pacific by blending their financial instruments and normative structure in alliances with countries in the region. Navigating the choppy Asian waters may not be easy and the EU must focus on constructing a strong maritime dimension in its security and sustainability discussions.

A greater engagement of the EU in the Indo-Pacific holds the key to establish a level-playing field for all actors in the region, as its strategy details. This will, in turn, ensure security, stability and sustainability of the Indo-Pacific. Forging viable development partnerships with India on trade, maritime security, technology, climate change and renewable energy is an interesting opportunity. Despite some scepticism on a triangular cooperation between Brussels and New Delhi in a third country within the region, (23) it is a prospect that must be monitored in the coming years.

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GEOECONOMY: REPERCUSSIONS OF ADAPTIVE EXPECTATIONS

Pandemic-Induced Supply Chain Disruptions: Geoeconomic Reactions in the Indo-Pacific

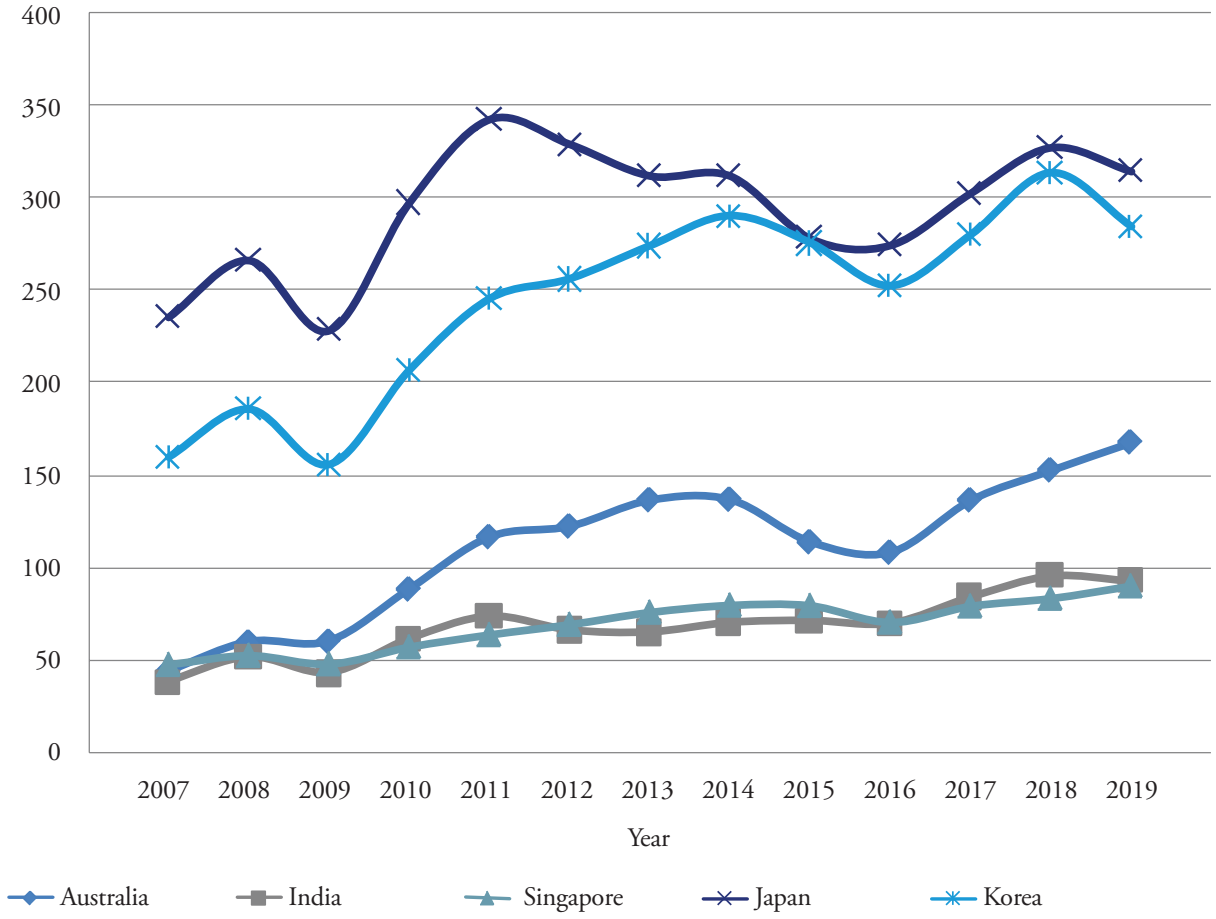
Soumya Bhowmick and Suyash Das

Modern manufacturing industries are dominated by the global value chains (GVCs), which consist of raw materials and intermediate goods being extracted, and products assembled and shipped to different locations around the globe, perhaps even multiple times throughout the whole process. A significant proportion of these goods are either manufactured or assembled in China, including a huge number of high-technology, knowledge-intensive products by large multinational companies. With existing trade agreements between China and the major economies in the Indo-Pacific such as Australia, South Korea, New Zealand, Pakistan and Singapore, there is a significant amount of Chinese dependence in the region—both as a source of imports and a market for exports. (1) In Vietnam, for example, several American and Japanese car manufacturing companies had to halt their production due to the pandemic-induced lockdowns, as Chinese companies were not able to supply the required raw materials. (2)

The main issue with diversifying the trade away from China lies in its deep ties in GVCs with technologically advanced nations like Japan and Korea that supply high-tech inputs to Chinese

assemblers, who in turn create the finished products. (3) In the Indian electronics sector, for example, 45 percent of all imports are from China, whereas for pharmaceutical products, India is fully dependent on Chinese raw materials. (4) Even in low-tech fields like agriculture, a large percentage of Australian exports is driven by raw materials from China, explaining the interconnected nature of the Chinese economy with the regional economies in the larger Indo-Pacific. (5)

Figure 1: China's Trade Volume with Australia, India, Singapore, Japan and South Korea (in US$ billion)



Source: Authors' own, data from World Integrated Trade Solution (WITS), The World Bank (6)

China saw a year-on-year decrease of 4 percent in imports and 17 percent in exports in first two months of 2020. International and regional trade were mostly affected due to the production collapse caused by restrictions enforced in China to tackle the pandemic, limiting the manufacturing and supply of goods and raw materials within the country. A second shock was caused by the slump in demand for Chinese products due to the lockdown measures in other countries a few months later. (7) With the bulk of the inputs for major global industries, such as automotive, electronics, pharmaceutical, medical equipment and consumer goods, being manufactured in China, (8) the recent shocks to the Chinese economy have raised concerns about the global economy's dependence on China and the implications for the Indo-Pacific nations.

Chinese exports to Japan from amounted to US$169 billion in 2019 and accounted for almost a quarter of all Japanese imports, highlighting that a supply halt from China can severely affect the Japanese economy. (9) To diversify supply chain risks from a few countries or a global economic hegemon like China, Japan and Australia proposed a Supply Chain Resilience Initiative (SCRI). This was initiated to mitigate the risk of unanticipated events, such as natural disasters like tsunamis, pandemics or other issues like armed conflict that disrupt supplies emerging from the affected countries. While the Japanese government has earmarked US$2.2 billion to incentivise its companies to move manufacturing out of China, Australia has announced a US$83 million initiative to maintain the supply of essential goods during external shocks. (10)

As economic ties between China and Japan and Australia deteriorate, India has been increasingly viewed as a suitable destination with a large consumer base, especially through the lens of the SCRI. Imports from Japan to India have doubled over the past 12 years, standing at US$12.8 billion in 2019, while foreign direct investment (FDI) from Japan to India account for over 7 percent of the total FDI to India between 2000 and 2020. (11)

Counterbalances in the Indo-Pacific Economies

As the pandemic hit China, the temporary closure of factories led to disruptions in the regional supply chains linked to machinery

and electronics. (12) Another sector detrimentally affected by the pandemic is automobiles, especially in countries like Thailand, where 10 percent of its GDP comes from this sector. Countries such as Indonesia and Vietnam were also affected as automobile companies like Honda, Toyota and Mitsubishi either rolled back or shut down operations. (13)

The shortage of medical and pharmaceutical equipment during the pandemic has hastened the shift towards the onshoring of strategic goods production from external suppliers based out of the country. Apart from medical supplies, food supply has taken a major hit as lockdowns prevented farming and logistical operations, leading to a supply shock in many countries with a low food self-sufficiency rate. (14) This has prompted many Southeast Asian countries to adopt policies that aim to strengthen the resilience of the food supply chains. For example, Singapore, which ranks first in the Global Food Security Index, has accelerated its '30 by 30' (that aims to produce 30 percent of its nutritional needs within the country by 2030).The country has also announced a US$23-million grant to the food industry to increase the production of eggs, leafy vegetables and fish. (15)

The ongoing situation has just exacerbated the crisis that had plagued the Chinese economy even before COVID-19, which included high capital and labour costs caused by China's increased participation at the higher end of the value chains. Additionally, the US-China trade war and resultant higher tariffs have forced China-based value chains to relocate to other countries in South and Southeast Asia, which have been leading destinations for companies pursuing a strategy to diversify manufacturing from China. (16) In an effort to predict the movement of manufacturing capabilities from China, the 'Where Will They Go' Index developed by Dutch financial services firm Rabobank tries to predict where new investments could be made to build supply chain resilience. (17) This index estimates the most attractive FDI destinations for capital moving out of China, with Thailand topping the list and Bangladesh at the bottom.

Table 1: 'Where Will They Go' Index

Rank	Country	WWTG Index
1	Thailand	0.62
2	Malaysia	0.61
3	Vietnam	0.60
4	Taiwan	0.55
5	India	0.31
6	Singapore	0.3
7	Philippines	0.18
8	South Korea	0.17
9	Indonesia	0.17
10	Japan	-0.03
11	Sri Lanka	-0.07
12	Mongolia	-0.27
13	Cambodia	-0.36
14	Laos	-0.39
15	Pakistan	-0.43
16	Myanmar	-0.59
17	Bangladesh	-0.67

Source: Rabobank (18)

Capital Fleeing from China to South and Southeast Asia

Using the US-China conflict as a turning point, Southeast Asian countries such as Vietnam, Thailand, Malaysia and Indonesia have accelerated initiatives to attract investments from companies that are moving out of China. For example, Vietnam has seen investments in the manufacturing of phones from Google, earphones from Apple, and medical equipment from Nipro (a large Japanese medical equipment manufacturer). Some companies manufacturing in China are planning to only retain production capabilities for the goods manufactured for customers within

China, whereas the production of goods for export will relocate to other Southeast Asian countries such as Vietnam, Thailand and Malaysia (19) due to the relatively lower wages and an increasing human capital base in these countries.

Since 2018, a growing amount of manufacturing investments have been made in Southeast Asian economies. (20) For example, Golden Egret Special Alloy has been planning to set up a cement carbide plant in Thailand, while Malaysia is planning to become a region with a high concentration of electrical, electronic and medical equipment (Micron Technology is setting up a solid-state drive assembly unit and Smith & Nephew is setting up a medical equipment plant). (21) In the apparel industry, Nike and Adidas have shifted a large chunk of their manufacturing and footwear businesses to Vietnam, while Indonesia is planning a US$1 billion industrial park in Java, predicting the exit of many industries from China. (22)

With an already pre-existing manufacturing base of automotive, apparel and food products, India has also seen investment in the pharmaceutical industry with AstraZeneca manufacturing its COVID-19 vaccine at the Serum Institute in India. (23) In light of the pandemic, the governments of the India and Bangladesh have also started the transhipment of goods through a coastal shipping arrangement to reach Northeast India through Chittagong port in Bangladesh. There is also a new trade route and industrial park setup in Bhutan for the easy movement of goods to India. (24) These regional value chains aim to cover various activities such as design, production, marketing, supply, and support for the end customer within a specified geographic area, to complement the increasing investments in the region by creating suitable scale economies. With several economies only supporting particular services or sectors, the entire value chain of a single product being located in the same region is yet to be implemented in South Asia. (25)

The most economically viable segment for moving of manufacturing capabilities from China will be in the value chains that have a high labour demand such as furniture, textiles and apparel, as these industries were already seeing a shift to markets with lower labour costs. On the other hand, industries that are

highly dependent on a particular region for raw materials may explore newer substitute materials or manufacturing processes to be able to relocate their production. (26) However, in high-tech fields like semiconductors, automotive, aerospace, machinery, communication, and pharmaceuticals, the high-level interventions by governments in established manufacturing bases like China will help to retain the competitive edge within the country and will prevent any significant exodus of such companies. (27)

Conclusion

The pandemic has accelerated existing discussions about reshoring production from China. One of the core tenets of supply chain resilience is the creation of regional value chains that are closer to home, through technology, to reduce the dominance of traditional manufacturing destinations such as China. (28) However, issues such as natural disasters, water and energy security, and geopolitical tensions in the Indo-Pacific are still concerns for companies willing to relocate out of China to countries that offer better economic prospects for manufacturers. Short-term measures such as disaster relief and business continuity plans, and long-term measures such as building better infrastructure and incentivising smart management of scarce natural resources will allow certain countries in the region to attract manufacturing investments originally meant for China, making the domestic supply chains more resilient in the long term. (29)

Although companies like India's Tata Group and the Taiwan Semiconductor Manufacturing Company have started more localised sourcing to reduce the dependence on China, a smaller onshore supply chain does not necessarily make it more resilient. (30) An effective strategy for lead firms to stay afloat during the evolution of GVCs is to effectively use digitalisation processes to optimise supply chain management. COVID-19 should be an opportunity for multinationals to use artificial intelligence, machine learning, and Big Data to monitor, remotely plan, develop and oversee production, connect to customers, and fulfil orders to reduce risks to their supply chains through higher transparency. (31)

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Competing Trade Architectures in the Indo-Pacific

Nilanjan Ghosh

It is almost a "stylised fact" that regional economic arrangements in the form of trade and investment blocs and trade agreements that entail the creation of free trade areas can delineate the regional and global economic order. An extensive debate on the drivers of the economic order in the Indo-Pacific (entailing the Indian and Pacific oceans and the landmasses around these waters) has been raging since the term was coined. Though the ocean marks the common thread binding the nations of the region and defining the geographic extent of the space, the Indo-Pacific is definitely much more and has strategic implications far beyond the mere traditional security connotations. There is no doubt that the various geoeconomic parameters of the Indo-Pacific are impressive to the extent of delineating a global economic order. This integrated space of land and water consists of around 38 countries, comprises 65 percent of the global population, and accounts for 62 percent of the global GDP and 46 percent of global merchandise. (1) As such, given a large pool of human capital, and a fabulous natural capital base, Indo-Pacific has various advantages in terms of business competitiveness due to extensive factor market and a huge product market. All these can help in garnering intraregional trade and investment opportunities, leading to overall wellbeing. Yet, the

heterogeneity in development and culture is an undeniable reality across the region.

The debate on the emerging economic order in the Indo-Pacific had been floating ever since China announced its Belt and Road Initiative (BRI). With the BRI being a global development strategy involving infrastructure development and investments in nearly 70 countries to exploit the cheap factor markets and the expanding product markets, it was thought to be rocking the status quo of the occident ruling the roost. The idea of the status quo in the global political and economic order was challenged further with the emergence of strong leaders, nationalistic fervours emerging from a xenophobic discernment in some major nations, and the insulating tendencies of economies that were once the major proponents of free market economies and globalisation. (2) Such insulating tendencies can be witnessed in the US's withdrawal from the Trans-Pacific Partnership (TPP), the prolonged US-China trade war, Trumpian disregard of the climate change crisis and the UK's exit from the European Union (EU). On the other hand, China's BRI began obtaining momentum in the EU, Asia and Latin America. This marked China's happy ride on its BRI horse, which was attempted to be combatted by some coalitions like the Quadrilateral Security Dialogue (Quad), a potential security arrangement between Australia, India, Japan, and the US.

The US's Asia policy is marked by a Free and Open Indo-Pacific (FOIP), with security and strategy connotations. The US insisted on rekindling the Quad, creating a combined force in the region to combat the unbridled advancement of a resurgent China. India's Indo-Pacific vision is delineated by Security and Growth for All in the Region, postulating a free, open and inclusive region. Recent meetings and statements from the heads of the Quad nations reinforced the seriousness and the intent with which the group has been conceptualised. (3) However, at this point, the Quad is more of a security arrangement with little to no direct economic or trade implications.

From an economic perspective, however, the most significant of the lot is the Regional Comprehensive Economic Partnership (RCEP). Though India has temporarily withdrawn from the RCEP negotiations and has given a cold shoulder to the BRI, its

participation in both has been sought by partner countries. India sent plenty of signals that the Bangladesh-China-India-Myanmar (BCIM) economic corridor, a cog in the BRI machine, is not on its priority list. China's initial interest in BCIM emerged due to its increasing labour cost, owing to the consumption-led growth philosophy of its thirteenth five-year plan.

On the other hand, China seems to be harbouring a tacit interest in shifting labour-intensive production lines to cheap labour hubs, such as in eastern and Northeast India, Bangladesh and Myanmar. Meanwhile, RCEP, led by the Association of Southeast Asian Nations (ASEAN), was postulated as one of the most useful strategic opportunities for 16 countries—the ten ASEAN countries, along with India, China, Japan, South Korea, Australia and New Zealand—to realise an integrated regional economic agreement. But India had its own reasons to withdraw.

As such, there are various competing trade architectures in the Indo-Pacific. While BRI and RCEP have garnered plenty of attention, there is no dearth of free trade agreements (FTAs) and regional trade agreements (RTAs) being discussed, for instance the trilateral FTA between China, Japan and South Korea, and the already defunct Transatlantic Trade and Investment Partnership (TTIP). The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), comprising seven South and Southeast Asian countries, have also been contemplating a FTA.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership

The TPP was once seen as redefining the global economic order. Signed on 4 February 2016, the TPP faced a setback when the US withdrew from negotiations in January 2017. Although this resulted in some loss of sheen, the TPP-11 or the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)—a trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam—emerged as Japan took the lead in the US's absence. The CPTPP was created in January 2018, and signed in Santiago, Chile, in March 2018.

The CPTPP is a classic example of what economists call a preferential trade agreement (PTA). The literature on international trade, which states that "small" economies—ones that do not influence the prices of goods and services traded in the global economy—should move to completely unfettered free trade regimes in the absence of market failures, also state that PTAs are not really the best moves for such nations. This is more so because when a country preferentially reduces trade barriers with its partners in a PTA, it is simultaneously keeping in place—or perhaps even raising—trade barriers against countries that are not members of the agreement. (4) Many have considered PTAs as stumbling blocks towards multilateral trade liberalisation. CPTPP may therefore not be the most optimum way to delineate a new economic order, even though it has some major global players as signatories. However, without the US or EU (the world's largest consumers), and China and India (with the largest populations and income growth), the CPTPP will struggle to be a gamechanger in the Indo-Pacific economic order.

Apprehended Impacts of Trans-Atlantic Trade and Investment Partnership

The TTIP was a proposed trade and investment agreement between the EU and the US, negotiations for which were halted by the Trump administration. Subsequently, the talks were called off and declared "obsolete and no longer relevant" by the European Commission. Had it come to force, the TTIP would not only have been the largest bilateral trade initiative in terms of sheer size but also "because of its potential global reach in setting an example for future partners and agreement." (5)

According to the European Commission, the TTIP could have boosted the EU's economy by €120 billion, the US economy by €90 billion and the rest of the world by €100 billion. (6) The deal could have created millions of new jobs through its aims to "liberalise one-third of global trade" though some other reports talk of mixed results (7) (8). On the other hand, the TTIP was expected to be detrimental, especially for developing country exporters. This is based on the premise that the TTIP would facilitate the emergence of an integrated, and more inward-looking, trans-Atlantic market, precluding exports from the Global South. (9)

Regional Comprehensive Economic Partnership and India

The RCEP was initially conceptualised as the "developing world's FTA" with 16 participating nations, but India temporarily withdrew from negotiations in November 2019. After the remaining 15 countries signed the RCEP a year later (November 2020), the clamour around India's withdrawal from the mega trade deal is becoming more prominent. This even though the new trading bloc has repeatedly clarified that the exit does not imply India can never return to the negotiating table. (10) One of the reasons for India walking away from the RCEP is the presence of China in the trade bloc. However, China's presence in RCEP fits well with its market imperialistic designs with which it conceived of the BRI.

China's recent past has been shrouded in misgivings. While the US-China trade war had its winners and losers, China has often been projected as a force whose designs of invading the input markets of the Global South and the product markets of the Global North is obvious. There have been several other developments: apprehensions with China on the origins of the pandemic, misadventures at the Indo-China border, China's exploits in the South China Sea against some members of the ASEAN, the wolf-warrior diplomacy, and its open threat to Australia for the latter's call for an independent investigation on the origins of COVID-19. At the same time, there has been a call for strengthening the Quad in the Indo-Pacific with an attempt to combat the Chinese exploits. Under such circumstances, it appears that geopolitics and economic interests have been decoupled as a policy imperative by many RCEP member nations (especially Australia and Japan). This is something that India has not done; instead, China's presence in the bloc remains a critical decision variable for India as far RCEP is concerned.

Yet, there seems to be a host of voices within and outside India that feel that it has missed the bus by not being a member to the trade deal. Earlier, many economists stated that RCEP will help Indian micro, small and medium enterprises (MSMEs) integrate effectively into the ASEAN value chain. Lately, some analysts put forward the thesis that India would have attracted greater investment with our goods and services having preferential access to the large and growing market of the RCEP participating countries, and India

potentially benefiting from the flight of capital and shifting supply chains from China due to US-China trade war and COVID-19. Some others have criticised India's withdrawal from the mega trade deal from the perspective of geostrategic and geopolitical consequences. It is perceived that the RCEP can be the perfect instrument to enhance Chinese dominance of the world economy, which will help it garner and exert more political influence.

The Indian rationales for this temporary withdrawal are multiple. First, the very idea that Indian MSMEs can integrate effectively into the ASEAN value chain is a working hypothesis, and not backed by any data or empirical analysis; the opposite is increasingly likely given the existing inefficiencies and lack of competitiveness of this sector in comparison to ASEAN or RCEP participant countries. This has emerged due to inefficiencies in the labour markets, fragmented and incapacitated by labour laws, low average productivity due to inefficient production processes, and high transaction costs of doing business. This inefficiency is not limited to factor markets but extends to product markets as well due to unimplemented policy reforms. (11)

Yet, from a geostrategic perspective, there is no doubt that the RCEP is the biggest and most significant trade deal, especially considering the diminishing importance of TPP after the US's exit. Japan, Singapore and ASEAN reckon that a new world economic order may indeed be created, and therefore have been putting pressure on India to join the deal. Can broader geostrategic interests be upheld by sacrificing domestic economic interests? How can a decision be made without a comprehensive cost-benefit analysis, despite some short-terms geostrategic gains being expected?

India is a strong force in the Indo-Pacific, and its withdrawal from the RCEP has certainly impacted the bloc's allure. India enjoys a demographic dividend that is slated to last till 2055, with an existing population base of 1.37 billion, whose incomes are increasing at 6 percent to 8 percent over the last few years (despite the recent setbacks of negative growth due to the pandemic-induced lockdown). The economy has grown organically driven by consumption demand. No RCEP country can boast of such a lucratively growing market. It is no wonder these countries want

India to join the trade bloc; economic considerations play a bigger role here than geostrategic ones. (12)

Conclusion

It appears the RCEP is extremely important even though China's presence in the trade bloc may mar the smoothness of doing trade for many other members. There will be significant issues involved here, as the RCEP directly feeds into China's BRI plans. Having China in a trade bloc will always invite this concern, as the RCEP can also provide ample market access to a "market imperialist" force. (13) On the other hand, there are smaller FTAs or lower tariff regimes that may come to force soon that can delineate the course of economic order in smaller sub-regions of the Indo-Pacific. While the BIMSTEC FTA might have implications for the Bay of Bengal nations, it may be an important institutional arrangement in the context of the Indo-Pacific. Yet, the absence of some of the bigger players from the Indo-Pacific bloc barring India might not lead to much exertion of forces to other parts in terms of defining an Indo-Pacific economic order. Yet its relevance as a regional trade bloc in the Indo-Pacific will be immense. This will also give the BIMSTEC an opportunity to project itself as an important investment destination, making itself as a growth force in the Indo-Pacific. (14) The significance of the BIMSTEC FTA will be far greater than many other proposed trade architectures, including the proposed FTA between China, Japan, and South Korea.

There is no doubt that trade is an enhancer of wellbeing. A recent Computable General Equilibrium exercise (15) suggests that if there is a Quad alliance on trade, there will be a substantial economic gain in terms of combined wellbeing of US$14181 million. According to estimates, Australia will see its real GDP increase by 0.11 percent and exports by 1.27 percent; India by 0.23 percent and 2.4 percent; Japan by 0.05 percent and 0.58 percent; and the US by 0.01 percent and 0.56 percent. The joining of South and East Asia with the Indo-Pacific will enhance this gain further. While trade transaction cost inhibits the growth of Indo-Pacific intra-regional trade, improvement in infrastructure and connectivity can boost trade further. The theory of "monotonicity" (that states that "more trade is always better"),

and the assumption of a perpetual "Pareto Improvement" (16) with more trade is wrong. Nations always need to weigh their domestic concerns with the external economy. As far as the Indo-Pacific is concerned, competing trade architecture prevail, and more seem to be in pipeline. The future will reveal whether it is one or a combination of such architectures that will delineate a new economic order for the region.

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For India, Autarky Is not an Option

Dhruva Jaishankar

The past several years have witnessed a consistent refrain of critical commentary about India's supposed reversion to economic autarky. (1, 2) Some of that commentary was instigated by the Indian government's unveiling of its *Atmanirbhar Bharat* (self-reliant India) campaign, as well as India's decision to withdraw from the Regional Comprehensive Economic Partnership (RCEP). The RCEP is intended to further lower barriers to trade between the ten members of the Association of Southeast Asian Nations (ASEAN), China, Japan, South Korea, Australia, and New Zealand. India already has preferential trade agreements with ASEAN, Japan and South Korea, meaning that the most significant consequences of its inclusion in the grouping would have been to its trade with China, Australia, and New Zealand.

India had three specific objections to RCEP, as negotiations progressed. The most important was that the threshold for rules of origin—the criteria for determining the source of products—was extremely low. Although India might have inserted specific clauses pertaining to trade with a particular country, these could have been easily circumvented. The second issue for India was

inadequate safeguards against import surges, effectively limiting its ability to prevent dumping. The third objection concerned ratchet obligations, which would have ensured that certain privileges extended to third parties would apply to RCEP members. In sum, the final terms on offer in RCEP would have locked India into a high level of trade dependence on China, a country with which it already had a massive trade deficit and political differences, most notably on the disputed boundary. Furthermore, terms that would have benefited India's economy, such as on labour mobility, were systematically sidelined or downgraded as negotiations progressed. In the end, there were far too many downsides and too few upsides to justify India's inclusion in the megatrade agreement.

India's Trade Dilemma

Does India's withdrawal from RCEP mean that its commitment to free trade is dead? The realities of trade between countries are, to put it simply, based on two basic principles. One is that free trade is a net benefit. Improved market access and less trade friction benefits businesses and reduces costs for consumers. This is the basis of the trade liberalisation theory that has underpinned globalisation since the end of the Cold War. The second reality—and one often side-stepped by proponents—is comparative advantage. The fact is that not all parties benefit equally from free trade. Those countries that are richly endowed with natural resources, such as oil exporters, will obviously garner disproportionate benefits. Other major beneficiaries will be those countries that serve as trading hubs: Singapore, Djibouti, Hong Kong and Luxembourg trade more than three times their GDPs; the Netherlands, Bahrain, and the UAE over 150 percent. Finally, there are others that have built up their own export advantages over years, such as Vietnam, South Korea and, most notably, China. In many cases (although not all), such advantages have not been accrued through laissez-faire economic principles, but by jealously guarding markets, offering attractive terms for investors, providing generous subsidies, and emerging as factories catering to the rest of the world; in other words, smart industrial policy. While free trade benefits everyone equally in a level playing field, the fact is that the playing field is never truly level. Talk to trade negotiators from any country, and they will describe day-to-day negotiations in terms normally reserved for blood sport.

Keeping these two realities in mind, India's leverage in trade negotiations is restricted to only a few areas. One is access to its large market, which has become more highly sought after as global trade volumes have plateaued after 2008. A second area concerns perhaps the one thing India has in plentiful supply—people. But the international movement of people is much more politically contested than the flow of goods or capital. Countries, such as Singapore, that readily dismiss Indian democratic considerations when it comes to farmers and shopkeepers are quick to justify their own immigration restrictions on political grounds. Third, there are a few areas where India is required to meet global consensus, such as environmental standards. At times, India has held global consensus hostage (as on trade facilitation) when it felt its own concerns (as on food security) were not being sufficiently addressed. Finally, there remain a few critical areas where India is internationally competitive and integrated into global supply chains, and where it will genuinely benefit at the current juncture from global market access. These sectors include information and communication technology services, generic pharmaceutical production, automotive parts, gems and jewelry, and refined petroleum products. But such sectors are still few and far between.

With these basic realities in mind, India's recent trade negotiation efforts have focused on reviving trade relations with complementary economies, rather than potential competitors. Indian negotiators did manage to work out a 'phase one' agreement in principle with the US under the Trump administration. But the addition of more onerous demands by the US Trade Representative made that agreement unviable, and it may now be some time before the US under the Biden presidency can turn its attention to that issue. A second line of effort extended to the European Union. But after India-EU trade talks stalled in 2013, Brussels decided to lower the priority it accorded to India and conclude other outstanding negotiations (as with Mexico and Japan) first. The 2021 EU-India Summit has rekindled hope that trade negotiations might progress. A third, and new initiative, might extend to a post-Brexit UK. But ultimately only the successful conclusion of one or more of these negotiations would send a positive signal about India's strategic commercial intentions.

Open on Goods, Closed on Services

Trade deals are, of course, not the same as trade. India's trade with China, the US, Europe and the Gulf has been climbing even in the absence of trade agreements. In fact, when it comes to India's relative openness, the record is much more mixed than both critics and proponents sometimes imagine. Many may forget that India was a founding member of the General Agreement on Tariffs and Trade, the precursor to the World Trade Organization. Since liberalising in the early 1990s, its exposure to international trade has grown considerably. India's international trade accounted for 40 percent of India's GDP in 2019. This is higher than Japan (37 percent), Bangladesh (37 percent), China (36 percent), Brazil (29 percent), and the US (26 percent). (3) It has the third-largest current account deficit of any country, after only the US and UK. Highly visible consumer sectors are dominated by foreign manufacturers. Japanese companies accounted for over 55 percent of the Indian passenger vehicle market in 2018 and Chinese mobile handset manufacturers dominate almost two-thirds of the Indian market. (Korean companies are no slouches either, accounting for about 18 percent of passenger vehicle sales and 24 percent of mobile handsets in India). (4) (5)

Along some measures of openness, India rates among the most open major economies in the developing world. India's import coverage ratio of non-automatic licensing (2.77 percent) is by far the lowest of the large developing economies, and on par with France or Germany. Barring South Africa, India rates as the easiest major developing economy in which to start a foreign business according to the World Bank, and fares better on this score than South Korea and France. According to OECD assessments, India's foreign direct investment (FDI) restrictions are on the higher side (0.21) but far less than China's (0.33) and comparable to Canada's (0.17). In the decade following the global financial crisis, India imposed fewer new FDI restrictions than either Australia or Indonesia. (6)

The picture is certainly less flattering when considering certain other aspects of trade liberalisation. India's average applied tariffs under the 'most favoured nation' status is high at 13.4 percent, yet still less than South Korea's 13.8 percent. South Korea has off-set this by successfully negotiating a large number of trade agreements.

What might be surprising to many observers is India is perhaps most restrictive when it comes to services trade, an area of apparent Indian advantage. According to both the OECD and World Bank, India has the highest services sector restrictions among the G20 economies for which recent data is available. If one were to consider India's constraints in such sectors as higher education and legal practices—rather than in business processing or R&D—this becomes more readily apparent. (7)

Future Choices

At present, the recent steps that have been taken by India to restrict its economy in certain areas are driven by two different forces. One is certainly the spirit of autarkic nationalism. In this view, shared widely by ideologues on the left and right, some small business owners and political leaders, India should never have opened up in the first place. Foreign trade is bad, and India should revert to self-sufficiency through import substitution and other restrictive measures. But the second motivating factor is more specific, related to concerns—shared with many other countries—about India's overdependence on China. For the time being, these two worldviews are in alignment. The recent steps India has taken—raising certain tariffs, more targeted investment screening, stepping back from trade negotiations, scrutinising public procurement, and banning certain technology companies—have been welcomed both by free trade and China-sceptics. (8)

But in the longer-term, there are questions as to which sentiment will win. This is also readily apparent in the different interpretations of Atmanirbhar Bharat. While political leaders from the prime minister down have stressed that self-reliance is meant to ensure resilience and not a closed economy, not all regulators or implementers of policy have necessarily interpreted it that way. (9) Foreign investors have been receiving mixed signals, which will complicate Indian efforts at economic revival after the COVID-19 pandemic. The reality, however, is that India has little choice but to remain globally connected, even if selectively so. Not only is its economy more trade dependent than is often appreciated, but for the foreseeable future, it will be extremely reliant on energy imports, technological tie-ups, and international education and research opportunities.

This survey of India's trade realities should lend itself to a few clear conclusions. The first is for India not to be swayed by others' narratives when it comes to the benefits of free trade, but remain focused on leveraging its comparative advantages. The facts do not support the popular notion of India as a particularly closed economy, certainly when it comes to non-agricultural goods trade, although the liberalisation of its services sector is arguably overdue. The second conclusion is that for India, smart industrial policy is the way forward in a post-pandemic global economy. Whether Atmanirbhar Bharat and its associated policies produce the necessary results is still an open question. But if India is to be better positioned to compete in an open global economy, it will have to industrialise. Third, while India's recent restrictive trade measures have been motivated by both genuine trade-scepticism and China-scepticism, India will have little choice but to remain globally integrated in many areas, even if on selective terms. Approaching trade in terms of national competition is necessary in a competitive international environment. But India should not lose sight of the fact that international trade—if truly free and fair—will ultimately be to its benefit.

Furthermore, these conclusions carry important implications for India's engagement with the Indo-Pacific region more broadly. While engagement with the region is desirable from a strategic standpoint, it will require taking domestic economic imperatives and political guardrails into account. For India, this will necessitate advancing engagement on Indian terms, rather than having debates and standards set by others, as occurred during the RCEP negotiations. For India's partners, there are also lessons to be imbibed. As India is a relative latecomer to industrialisation, keener efforts must be made to play to India's relative strengths if mutually beneficial partnerships are to emerge; India cannot only be treated as a market. Ultimately, short-term commercial considerations will have to be balanced by strategic engagement by all parties, if the objectives of a free, open, and inclusive Indo-Pacific are to be realised in the economic sphere.

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Challenges to Blue Economy in the Indo-Pacific

Abhijit Singh

In recent years, Blue Economy (BE) (1) has emerged as a new paradigm for coastal management and the development of marine resources. The concept, based on the idea of a healthy ocean supporting productive and sustainable ecosystems, seeks to integrate ocean activities with environmental sustainability, innovation, and dynamic business models. (2) The central proposition of BE is that the ecological health and productivity of marine and coastal ecosystems can be increased by shifting to a more sustainable economic model that taps their national potential—from generating renewable energy and promoting ecotourism, to sustainable fisheries and transport. (3)

Across the Asian and African littorals there is growing agreement that the oceans cannot be an arena of contestation between nations, that vast sea bodies must be used in service of mankind to generate economic growth. Policymakers and practitioners are emphasising a need for pragmatism vis-à-vis the oceans, to further the boundaries of human progress, security and development.

Yet, Indo-Pacific states must contend with the reality that the BE model is facing problems in its implementation. (4) The

key challenge is the notional tension between conservation and growth in the Sustainable Development Goals (SDGs) that seek to reconcile between the economic, social and environmental goals. As theoretically rigorous as the three-pillar conception of sustainable development (social, economic and environmental) is widely seen to be, it cuts against the idea of high growth that is the end-objection of most industrial endeavour. Not surprisingly, efforts to place environment protection at the core of BE finds little traction with policy planners, who tend to prioritise growth.

Meanwhile, the 'de-growth' school argues that attempts to nurture current levels of economic growth are proving to be costly, degrading and depleting the natural ecosystem. (5) Proponents say the emphasis on economic growth dents ecosystem services, serving also to undermine the traditional ethos of many communities that respect all forms of life. What is more, the growth narrative falsely equates consumerism with modernity, and unbridled growth and consumption with societal development. In reality, "green growth" does not prevent degradation of the natural environment, as the green model is not well suited to reconcile the varying needs of development and conservation.

And yet, the institutional tilt in governments towards economics persists. The policy drafting processes in many countries seem unreasonably skewed towards 'growth', with many viewing economics as a panacea for social ills that are seen to be rooted in 'poverty'. That approach poses hard ethical dilemmas, as the proffered solutions are unworkable in practice. In the search for an ideal balance between ecology and economy, consensus eludes policymakers, and the oceans' numerous stakeholders and users.

A Problem of Overfishing

The key problem with BE is resources regulation—in particular, the regulation of ocean fisheries, wild-life and seabed resources. In many parts of the African coast, South Asia and in the Western Pacific, governments have given fishing communities much leeway in exploiting fisheries, leading to an increase in licensed and unlicensed fishing. As state governments have sought to push artisanal fisher folk into mechanised fishing, offering subsidies and incentives to increase their catch, there has been a sharp decline

in fish stocks. This has unwittingly led to a rise in harmful fishing practices like bottom trawling. Paradoxically, the sops offered by governments have encouraged practices that damage the marine ecology.

Indonesia is a good example of how fishing subsidies (and intensive fishing)—an article of faith with regional governments—have served to damage the environment. The Indonesian government has for years given huge subsidies to its fishers. But in October 2020, the parliament passed a law to wholly deregulate fishing, changing the definition of "small fisher" to allow large operators to qualify for subsidies. The new law seemingly permits foreign fishing vessels open access into Indonesian waters, potentially causing the reclamation of large marine ecosystems. (6) Sceptics claim the law irreparably harms the livelihoods of smaller fishermen by allowing big industrial fishers to rake in rake in profits.

India's draft fisheries bill too has come in for criticism from rights groups because of its emphasis on resource exploitation, deep sea fishing and the privatisation of open access water bodies. (7) Fisher rights unions have opposed the draft policy, terming it "export-oriented, production-driven, and based on capital investments". (8) There is also an apprehension that the new policy could strip small scale fishers off their rights of access to commons, and damage the environment in the long run. Instead of helping achieve its primary purpose—to enable smaller fishermen to increase their catch in sustainable ways—the law, conservationists say, will hurt the latter's interests. This is because the draft mistakenly assumes that capital investment and intensive technology (in areas such as mariculture) will be affordable for smaller fishermen (a big assumption). It also excessively focuses on extraction and profit, overlooking the plight of poor fishermen, who operate in a socioeconomic system where their livelihoods are not embedded in the cycle of investment, extraction, and profit.

Marine Pollution

The other problem affecting the ecology of sensitive spaces is hydrocarbon exploitation. (9) Shipping activity along the coastline and in the busy sea lines of communication has contaminated the marine environment. Oil and residue discharge from cargo

and feeder ships are a major contributor to pollution. The amount of synthetic trash generated is rising exponentially, with a rapid expansion of plastic pollution in coastal regions. (10) Unfortunately, regional states have not been able to arrest the decline in marine health. Notwithstanding nascent efforts to partner with international organisations such as the Global Environment Facility, the Asian Development Bank, and the Food and Agriculture Organization, countries have yet to come around to effectively addressing the challenges to marine governance: unsustainable fishing, pollution and destruction of habitat, and vulnerability of coastal communities to a changing climate. (11)

As with fisheries regulation, governmental policies have encouraged resource exploitation, often in breach of sustainability norms. (12) Despite pronouncements supporting BE goals and principles, ecosystem preservation and community development has remained a neglected area. As ocean activities have expanded, so has the plunder of marine resources. In the rush to harness oil and gas resources, sustainability issues have been overlooked. (13)

Ocean Governance

A third area of concern is ocean governance. As coastal communities expand, and dependence on marine resources grows, governments have sought to put comprehensive system in place to govern marine resources. Yet in vast swathes of the western and eastern Indian Ocean littorals, ocean governance has been less than adequate. If South Asia has struggled with regulation and ocean finance, in larger parts of sub-Saharan and coastal Africa states lack financial and technological capacity to harvest ocean assets. (14) Coastal African states have been plagued by the corrupt tendencies of the political elite.

An illustrative example of how marine governance has been neglected is the inability of regional states to deal with the issue of marine litter. (15) One of the least discussed subjects on the BE agenda, marine debris has in recent years emerged as a vexing challenge, rendered complicated by climate change. Having to cope with increasing uses from a variety of sources such as extractive industries, together with climate change, acidification, hypoxia, and chemical pollution, the oceans increasingly have had to absorb

ever increasing volume of marine trash. Yet, the focus of Asian governments continues to be connectivity, port building, transport corridors and resource exploitation.

To be sure, those charged with making BE decision face a challenge in having to balance competing imperatives. The Maldives offers an instructive example of the dilemmas policymakers must contend with. In 2016, as the Maldivian government began expanding economic opportunities through a much publicised "Blue Model", it decided to invest in high-end beach tourism, reclaiming land to build hotels on some of the country's many coral atolls. (16) This coincided with a period of severe coral bleaching caused by an El Niño phenomenon that spread warm water across oceans. (17) After criticism from local groups, the Maldivian government reversed course, focusing on conservation and was even able to salvage some damaged corals.

Not only is ocean governance fundamental to maintaining the health of the marine habitat, it is also a vital prerequisite for regional efforts to meet the SDGs. (18) A comprehensive ocean governance framework could balance sustainable economic activity and marine conservation and create a positive impact on the lives of coastal communities. (19) (20) It might also help states in addressing the 'skills gap' impeding the implementation of BE. The lack of innovation and technological developments in critical sectors has been a significant barrier in the development of BE models. Limited ocean literacy has hurt the prospects of marine conservation and industry in the region.

Implementing BE

The blue model is unlikely to deliver results unless it is implemented in ways that truly balance the need for economic growth with nurturing sustainable ecosystems. Regional states must move to harmonise their BE approaches to develop an integrated strategy. This goes beyond agreeing upon a common definition, syncing procedures and operating principles. Countries must also collectively invest in technology and innovation that will enable blue sectors to develop processes and technologies to boost BE productivity. The blue revolution must recognise opportunities to

unlock the seas' latent potential, yet allow the regional habitat the space it needs to regenerate.

First and foremost is the need to create a knowledge economy to power the blue movement. Asian and African states need strong scientific research and adequate ocean observations to deliver a sustainable ocean. There is also a need for widening participation of regional stakeholders in marine spatial planning—a policy process to organise the different uses of the ocean space across time. Firmer frameworks need to be evolved for economic actors and decision-makers to device policy for the sustainable harnessing of ocean resources.

Second, Indo-Pacific states must collaborate to create a more operational kind of ocean science to support sustainable economic goals. The application of ocean science to fisheries management can be used to protect and preserve endangered fish species. To respond to the challenges and demand of the BE, ocean technocrats must focus on development of know-how, transfer of technology, and capacity development. Beyond supporting evaluation and monitoring of fishing activity, ocean science can lay the foundation for a genuine ocean sustainability framework. Through new inter-state contracts between governments and their populations, between researchers and policymakers, regional states can ensure that the best efforts and investments are channelled to developing a sustainable ocean-based economy.

Third, governments must collectively focus on the optimum utilisation of marine space from a preservation standpoint. Marine spatial planning is a proven effective policy process to bring together public and private stakeholders to analyse and allocate ocean space for competing human activities (tourism, renewable energy, fisheries, conservation, and so on) in coastal and marine areas. It could prove invaluable in facilitating sustainable uses of marine resources by de-conflicting the maritime commons, mitigating adverse environmental impacts, and facilitating reasonable utilisation of marine resources. Of particular utility might be the participatory governance approach involving the participation of fishermen and local self-governance institutions. Recently, the Intergovernmental Oceanographic Committee of the United Nations Educational, Scientific and Cultural Organization announced the International

Decade of Ocean Science for Sustainable Development (2021-2030), rallying ocean stakeholders around the world behind a common framework to ensure safeguarding healthy, productive and resilient oceans through science-informed policy responses. (21)

Fourth is the need to involve the private sector in BE initiatives. It must play a more significant role in supporting nascent BE projects in the region. Governments must provide incentives to catalyse private investment in green infrastructure, technology, and innovative practices to reduce environmental risks and ecological stress, enhance sustainable development and human well-being, and sustainably manage coasts and oceans. Indo-Pacific states need a framework of ocean governance, comprising institutional processes, and production and management systems to create new asset classes that will reduce investment risk, transitioning to a genuine BE.

Finally, governments must clearly define BE priorities, making it easier to accept inevitable trade-offs between missions and timeframes. Once articulated, the policy will have to identify revenue streams to enable BE activities. The move towards improving the economic productivity of marine and coastal ecosystems must have a clear source of funding. The good way forward will be to integrate viable forms of marine activity, including renewable energy, ecotourism, sustainable fisheries, and transport. The BE enterprise in the Indo-Pacific region needs a better direction and focus.

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Energy Security in the Indo-Pacific: Need for a Rules-Based Maritime Order

Roshan Saha and Pratnashree Basu

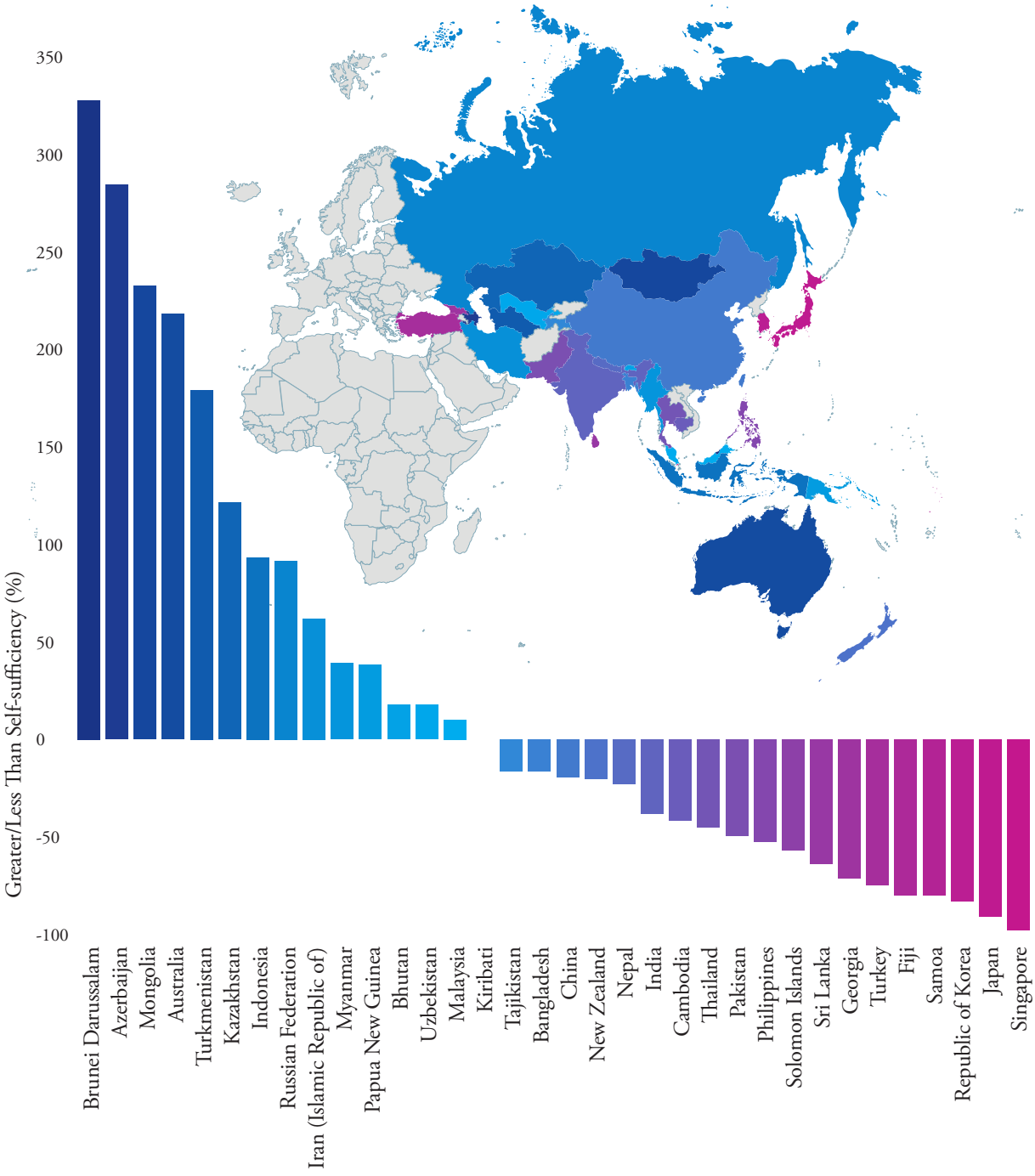
Given the unprecedented increase in energy demand and the limited availability of its conventional sources, national security and economic growth objectives should not exclude energy security. (1) This is of paramount importance for Asia-Pacific countries, (2) home to about 4.3 billion people (3) (or 60 percent of the global population). These countries also form part of the Indo-Pacific construct, broadly identified as extending from the Indian Ocean to the Western Pacific. (4)

Energy Consumption and Import Trends

Energy security is defined as the "availability of sufficient supplies at affordable prices." (5) In addition to availability, a robust, diversified and sustainable energy value chain is also considered an integral component of energy security. (6) (7) When viewed from this perspective, the Indo-Pacific region is vulnerable to energy supply risks as many countries are highly dependent on energy imports. Incidentally, some of the most vulnerable countries are from the Indian Ocean and South China Sea region. For example, China, India, Nepal, Sri Lanka, Thailand, Philippines, Cambodia, South Korea and Japan are below the energy self-sufficiency levels

(approximately ranging between 17 percent to 53 percent below the energy self-sufficiency levels). (8) (9) Among these countries, China, India, South Korea and Japan are major economic and political players. Energy security is a major factor in geopolitics and geoeconomics since competition over scarce oil and gas assets can escalate into a conflict. (10) Ensuring a steady and affordable supply of energy in these countries is crucial for the region's overall stability.

Figure 1. Energy Self-Sufficiency in the Asia-Pacific region (2017)



Source: Authors' own calculations (11)

Global energy trade is gradually shifting from the Atlantic towards the Indo-Pacific region due to the growing demand for energy emanating from China and India. (12) The US, Russian Federation and the Organisation of the Petroleum Exporting Countries play an important role in the supply of energy—especially oil—to this region. According to estimates from the BP Statistical Review of World Energy 2020, 78 percent of the total crude oil exports from the Middle East are to countries in the Indo-Pacific region, (13) while West Africa and Russia account for 10 percent and 8 percent of crude oil imports via the Indo-Pacific region, respectively. (14) China is the largest Indo-Pacific destination of crude oil exports from the Russian Federation, at 27 percent. (15) The dependence on external sources for crude oil supplies is a major factor for energy security as coal (47 percent) and oil (28 percent) accounted for the largest share in total primary energy consumption among the countries in the Indo-Pacific in 2019, followed by natural gas (12 percent), hydroelectricity (6 percent), renewable (4 percent) and nuclear (2 percent) energy. (16) The region is also a major importer of liquefied natural gas (LNG), accounting for almost 69 percent of global LNG imports and 22 percent of global consumption. (17)

Although the primary consumption of natural gas is less than of coal and oil, its demand has been rising. Natural gas is considered a 'bridge fuel' despite debate over whether it is indeed a cleaner fossil fuel and compatible with the Paris climate goals. (18) The demand for natural gas in the Indo-Pacific is expected to reach 120 cubic billion feet per day by 2050 (driven by increased needs in China and India), outpacing the regional supply that primarily comes from Australia and Malaysia. (19) To meet this deficit, the region will have to depend on imports from Qatar, Russia and the US. Although pipelines typically transfer natural gas, ships can transport it in LNG form, which requires a non-interruptible and rigid supply chain. The associated transportation costs also account for a large share of gas prices. At the same time, the region has more coal reserves than oil. Approximately 78 percent of all coal exports from the Indo-Pacific get traded within the region, while it accounts for 58 percent of global coal imports. (20)

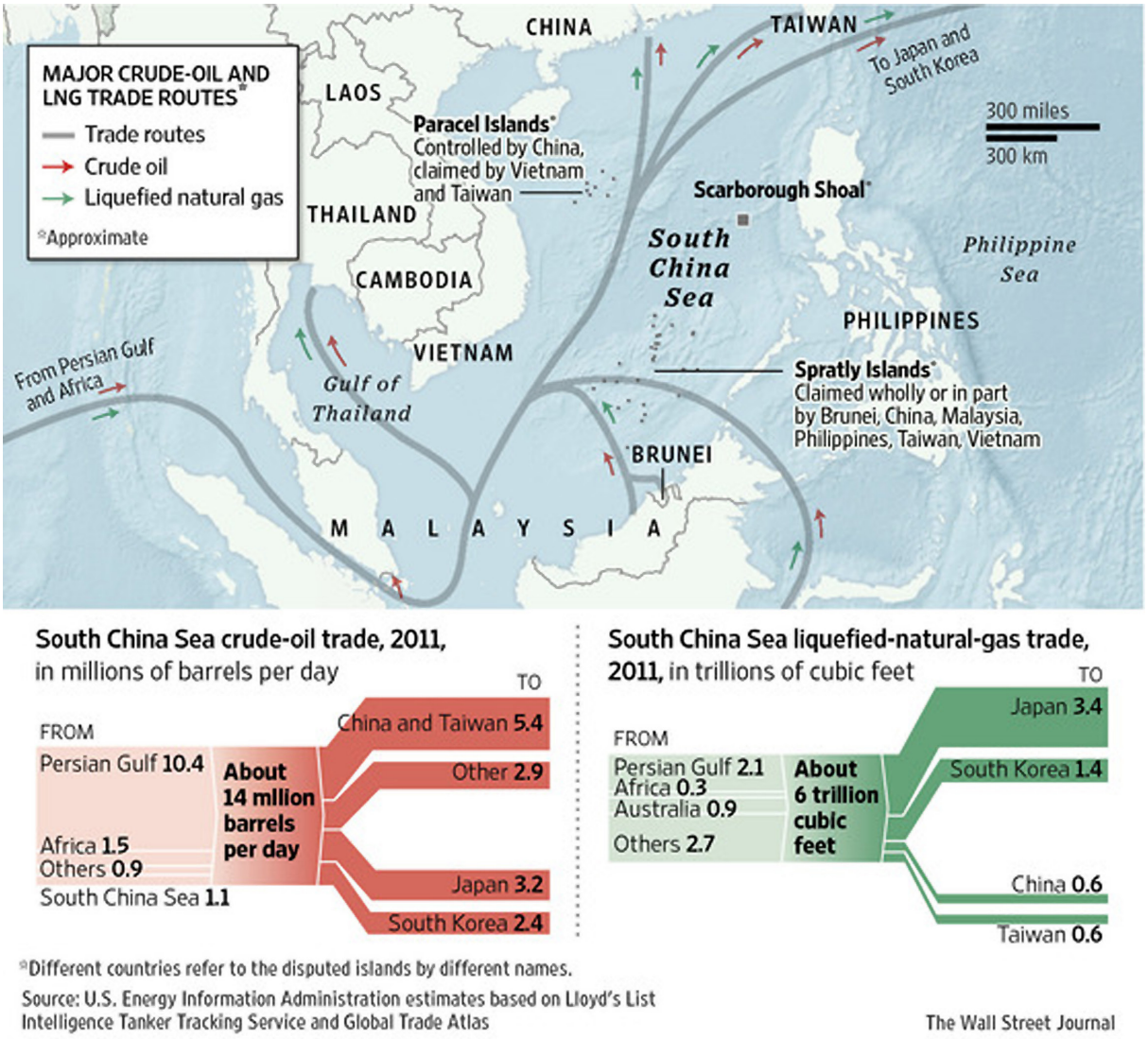
The importance of energy security in the Indo-Pacific is also clear by the fact that China (55 percent), India (13 percent), Japan (7 percent) and South Korea (5 percent) account for 80 percent of

primary energy consumption in the region, and 35 percent of primary energy consumption in the world. (21) These countries may try to achieve self-sufficiency in secondary (electricity) and refined energy, at the very least, but this will entail massive infrastructure costs. In addition, the availability of technology to limit damage to the environment will be a major challenge as these countries will need to adopt sustainable energy production and consumption practices. Furthermore, energy sufficiency will not translate to equal access to energy across the countries. Hence, promoting and diversifying energy trade is pivotal to energy security to address both external and internal imbalances for most countries in the Indo-Pacific. (22) Given the region's high import dependency, any blockades to maritime trade will significantly affect energy security.

Significance of South China Sea

The South China Sea is at the heart of the geopolitics of energy security in the Indo-Pacific for two major reasons. First, it is a major transit point. Maritime trade routes account for 61 percent of global oil trade (according to 2015 estimates). (23) South Korea, Japan and China's high energy import dependency must also be seen in the context of these trade routes. Of the total crude oil imports received by these countries, more than 90 percent is through maritime trade, passing through the Malacca Strait before entering the South China Sea (see Figure 2). The major exporting countries are from the Middle East and West Africa.

Figure 2. Major Crude Oil and LNG Trade Routes



Source: The Wall Street Journal (24)

The dominance of fossil fuel imports via major maritime chokepoints exposes the Indo-Pacific countries to external shocks due to political conflicts, weather-related events, theft, and piracy. Due to any of these factors, a blockade of the chokepoints will compel half the world's fleet to reroute through Lombok Strait between the Indonesian islands of Bali and Lombok, or the Sunda Strait between Java and Sumatra. A short-term disruption and rerouting through the Sunda Strait will cost approximately US$279 million per month, and cost US$515 million per month through the Lombok Strait. If all three straits are blocked, vessels would have to travel around the southern coast of Australia before pushing

north through the Philippine Sea, at a US$2.8-trillion monthly cost. (25) Although China has sought to reduce its dependency on the South China Sea for its energy imports by constructing pipelines via Eurasia through the 'One Belt, One Road' initiative, the volume of imports through these pipelines will still fall short of those through the Malacca Strait. (26) Therefore, the South China Sea plays a crucial role in the Indo-Pacific's energy security as a major Sea Line of Communication (SLOC).

Second, the South China Sea is a potential reserve of oil and natural gas deposits. The US Energy Information Administration estimates that the South China Sea holds 11 billion proved or probable barrels of crude oil and liquid reserves—roughly equal to Mexico's proven reserves—and 190 trillion cubic feet of natural gas. (27) But territorial disputes over several islands in the South China Sea between China and the littoral states have become a geopolitical concern with significant implications for energy security in the region (see Figure 2). The disputes have stalled and obstructed exploration and drilling for many resources. Aggressive behaviour by Chinese maritime authorities has kept foreign investors at bay, especially those with the necessary technology and capital required to tap these reserves. The lack of foreign investors and a coordinated approach towards energy exploration implies that China will have to bear the costs of establishing oil-extracting infrastructure in the South China Sea on its own. This will not be economical given the benefits of sharing the costs with other stakeholders in the region. (28)

Need for a Rules-Based Maritime Order

Both resource potentiality and geographic centrality make SLOCs an important element of Indo-Pacific energy security vision. A rules-based order must exist in maritime spaces to ensure a secure and stable supply of oil and gas imports. This is even more important from an energy resource exploration perspective as it will lead to the joint development of infrastructure and significant cost reductions for individual countries and facilitate greater cooperation among countries on the generation of renewable energy (such as wind and wave), particularly in the northern parts of the South China Sea. (29) Under ideal conditions of cooperation, this will provide the littoral countries with access to alternate energy sources, reduce dependency on external imports and facilitate the transition towards more sustainable energy consumption patterns. Hence

investments in energy efficiency, diversification of energy sources together with technological innovation are components which in turn would bolster the seamless functioning of a rules-based system of securing access to energy.

The preservation of a rules-based order for both strategic and commercial purposes is essential to establish and maintain measures of conduct as laid out by the United Nations Convention on the Law of the Sea. A rules-based order is underpinned by the global governance system that was established in the post-Second World War period and has since encompassed the foundation of global interactions. (30) The absence of such an order to adhere to in peacetime, therefore, dismantles the system of rights and obligations that ensure seamless and pacific utilisation of the maritime space by all concerned countries. Hence, the premium for disengaging from or jeopardising this system of governance should be adequately high to deter it from happening while simultaneously devising measures and incentives to encourage adherence to the existing rules-based order.

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COMPETING POLARITIES: REGIONAL ORDERING AND EXTERNAL BALANCING

China's Rise and Balancing in the Indo-Pacific: Taking Stock in 2021

Jeff M. Smith

Balancing is one of the oldest and most intuitive concepts in international relations. It posits that to deter aggressive or coercive acts by other nation states, countries will seek out a stable or favourable balance of power.

Like humans, nations tend to be concerned foremost with self-preservation. In fact, for nations it is an even greater preoccupation since there is no higher authority—no global policemen—to defend them from acts of aggression by other nations. This state of insecurity grows even more acute when a neighbour or peer begins rapidly accumulating power and military capabilities, particularly when their territorial claims and foreign policy are simultaneously growing more belligerent.

The influential realist school of thought counsels that the rapid accumulation of power by one country confronts its neighbours and peers with a choice—either pursue bandwagoning by seeking to align with the rising power or enhance one's ability to deter or repel aggression from the rising power through balancing. (1) Those that choose balancing will seek to improve their military capabilities and posture (internal balancing) and/or increase

security cooperation with like-minded peers (external balancing). The downside? Balancing, particularly the internal variety, requires scarce resources. It also risks antagonising the rising power, which might perceive defensive-minded manoeuvers as offensive in nature, triggering a security dilemma and heightening the risk of friction or confrontation.

Bandwagoning can also be a risky proposition, however. There is no guarantee that a rising power that appears benevolently disposed today will not grow more threatening tomorrow, leaving the bandwagoning power vulnerable. Countries also tend to be jealous guardians of their sovereignty and autonomy, which can be compromised when attempting to bandwagon with a more powerful peer.

Realists believe that states generally opt for balancing over bandwagoning. Realist scholar John Mearsheimer claims China's neighbours "are certain to fear its rise" and "will do whatever they can to prevent it from achieving regional hegemony," including joining "an American-led balancing coalition to check China's rise." (2)

Is the Indo-Pacific Balancing?

In 2021, what does the evidence show? Is Mearsheimer right? Has China, and the more assertive trajectory it has charted over the past decade, prompted a wave of Indo-Pacific balancing? Yes and no. In short, it is complicated.

There is indeed ample evidence of elevated balancing activity underway across the Indo-Pacific. Over the past decade, defence spending in the region (excluding the US) has grown substantially in both absolute and relative terms, rising from 20 percent of total global military spending to 28 percent. According to some estimates, by 2030, it will surpass North American defence spending for the first time in recent history. (3) As important, the Indo-Pacific has been witnessing a tangible "thickening" of security networks (4) and growth in the quality and quantity of joint military exercises, security-focused dialogues, joint vision statements, and military inter-operability agreements. (5)

And yet, if regionwide balancing activity is trending upward in aggregate, perhaps its defining characteristic is that it is a highly uneven phenomenon. As notable as the balancing we are

seeing is the balancing we are *not* seeing. For most of China's immediate neighbours, balancing activity ranges from modest to non-existent. Some are even bandwagoning with Beijing. Most Indo-Pacific capitals have seen trade and investment ties with China grow exponentially over the past decade, despite a spike in regionwide security concerns. (6)

It may therefore be most useful to envision different tiers of balancing unfolding across the region. It is most evident and pronounced among the "hard balancers," namely the "Quad" grouping joining Australia, India, Japan, and the US. The formal revival of the group in 2017 complements a rapidly expanding network of bilateral and trilateral defense and strategic connections among the four democracies. (7) It is no great secret this activity is motivated in part by shared concerns about Chinese foreign policy.

Among a larger number of Chinese neighbours and peers, however, often typified by the members of the Association of Southeast Asian Nations (ASEAN), balancing activity is far more subdued, where present at all. Within ASEAN itself there is great diversity, from outright bandwagoners such as Laos and Cambodia, to a larger, more variegated group of "soft balancers."

Soft balancers like Indonesia and Malaysia have registered some degree of concern about recent Chinese claims or behaviours and are taking modest steps to either enhance their defense posture vis-à-vis China or diversify their external security partnerships. At the same time, they are pursuing even greater political and economic engagement with Beijing. (8)

There is substantial heterogeneity among these soft balancers. Countries like Vietnam and the Philippines have more volatile territorial disputes with China and more salient concerns about its aggressive tactics in the South China Sea. At times, they have been more supportive of pushback against Beijing. In large part, however, all the soft balancers want to avoid making difficult choices, remaining as diplomatically and economically engaged with China as possible while taking the minimum steps necessary to preserve their security and sovereignty.

Under-Balancing in The Indo-Pacific

For now, it will be fair to conclude that large swathes of the Indo-Pacific are witnessing what might be described as a prominent current of "under-balancing." Even the Quad has not pursued an outright, Cold War-era containment strategy. Nor could they. China is the largest trading partner of all four members.

Why might Indo-Pacific balancing be less pronounced and more diverse than realist theory or strategic logic might dictate?

I examined this question in a 2018 book I edited and co-authored, *Asia's Question for Balance, China's Rise and Balancing in the Indo-Pacific*. (9) Together with 12 co-authors from across the Indo-Pacific, we sought to shine an analytical light on Indo-Pacific balancing. We identified several factors that are likely contributing to this under balancing, including globalisation and economic interdependence, strategic cultures averse to overt balancing strategies, free-riding, domestic political and economic considerations, and China's own efforts to forestall balancing, among others. Balancing is driven, or mitigated, by factors that are diverse, complex, and local, tethered to the costs, benefits, incentives, and domestic politics in each capital.

The diplomatic culture in many ASEAN capitals, for example, is historically averse to military blocs and alliances. It cautions against airing geopolitical grievances in public. They are more likely to view Chinese actions as a "challenge" rather than a "threat," and more likely to see harder balancing strategies as prone to invoke Beijing's ire. Critically, they are not as capable or as resilient as the Quad countries in withstanding Chinese pressure or coercion.

Beijing has also effectively wielded both carrots and sticks, co-opting, enriching and threatening influential patronage networks in neighbouring countries to induce alignment with Chinese foreign policy priorities. It has used economic diplomacy and elite capture strategies to discourage balancing impulses, creating a generation of regional elites more eager for engagement with China than their broader populations; China's unfavourable ratings in many countries has reached historic highs in recent years. (10)

Finally, to its credit, Beijing has carefully avoided crossing many of its neighbours' red lines, even as it skirts dangerously close to them with greater frequency. At times, it has also been more effective in its public diplomacy and strategic messaging than the US or its Quad partners.

Balancing in Context

While acknowledging the region is witnessing an undeniable current of underbalancing, there is a risk of underselling the balancing that is taking place. Sceptics are quick to note that the hard balancing Quad is a just minority of capitals, a "small clique," (11) that has failed to enlist more allies and partners in adopting more rigorous balancing strategies.

Yet, characterising the Quad as a small minority is both technically true and exceptionally deceiving. The Quad may only consist of four capitals, but they collectively represent one-third of the world's population (1.8 billion) and gross domestic product (US$30 trillion) and nearly half of the planet's defence spending (US$1 trillion). (12)

With no offence to ASEAN, the Quad's disposition is far more consequential to the regional and global balance of power than whether Kuala Lumpur is hedging its bets. Saying that "balancing is only happening among the Quad" obscures more than it illuminates. It is more accurate to say, "balancing is not happening among China's smaller neighbors but it is accelerating among the four countries best positioned strategically and militarily to resist Chinese aggression, hosting a unique mix of will, capabilities, and geopolitical alignment."

Part of what distinguishes the Quad is its ability to say "no" to Beijing. The Quad led the way in raising concerns about and stonewalling China's Belt and Road Initiative and Huawei's 5G ambitions. The US and Australia are taking the lead in upholding freedom of navigation in the South China Sea, as Japan and India resist Chinese adventurism along their disputed land and maritime borders.

The rising threat perceptions and growing cooperation among the Quad in recent years is the most consequential trend in Indo-Pacific balancing. After formally reviving the group in 2017 after a ten-year hiatus, Quad meetings were elevated to the ministerial/

cabinet secretary level in 2019, and the group conducted its first joint counterterrorism exercise in the same year. (13) In 2020, the four countries conducted their first joint naval exercise since 2007 and organised a broader group of "Quad-Plus" countries to coordinate responses to the COVID-19 pandemic. (14) Early 2020 saw the first ever Quad summit, joining the leaders of the four countries by videoconference. They pledged to meet regularly and in-person moving forward. (15)

The accelerating balancing among the Quad is not the only reason China should temper its enthusiasm about this regionwide underbalancing. In recent years, China's drift toward a more externally aggressive and internally repressive rising power has sparked a broader, if thinner, backlash further abroad. The international narratives surrounding China's Belt and Road Initiative, its technology ambitions and 5G plans, and its wolf-warrior diplomacy have grown more suspicious and hostile in recent years. (16) There is rising alarm over China's increasingly brazen use of "sharp power," (17) its interference in the domestic politics of its neighbours, (18) its bullying tactics abroad, (19) and its crackdown on academic freedom, (20) freedom of religion, (21) and human rights. (22)

While they are still averse to public confrontation with Beijing, a growing number of regional capitals are quietly becoming more sympathetic to the Quad's activities and concerns. They prefer a rules-based regional order, where freedom of navigation and peaceful dispute settlement prevail over a "might-makes-right" approach. They prefer a stable balance of power to a region governed by Chinese hegemony. For now, however, many believe the US and its partners are already providing that balance and stability without the need for them to make costly sacrifices or "choose sides."

The softer balancers will continue striving to avoid making difficult choices, but their postures are not cemented in stone. If Chinese actions cross key thresholds in their threat perceptions, either deliberately or via an unplanned crisis, they could become harder balancers in the years ahead.

By contrast, balancing could grow even softer if the allure of Chinese economic largesse, or the fear of Chinese retribution, reaches overwhelming levels. For states to entertain balancing in the first place, there must be another superpower or bloc of

countries powerful enough to resist the rising power and provide viable economic, diplomatic and security alternatives. Absent that, bandwagoning becomes the only viable option. For most regional capitals, that is the least desirable scenario. For while they are loathe to choose between China and the Quad, countries across the Indo-Pacific very much want choices and the freedom to choose.

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Minilaterals in the Indo-Pacific: An Indian Perspective

Rajeswari Pillai Rajagopalan

The Indo-Pacific region has gone through important strategic shifts over the last decade. These changes—from the nomenclature (Asia-Pacific to Indo-Pacific) to the growth of a number of trilaterals, Quadrilateral Security Dialogue (Quad) and other minilateral groupings focused on the region—have had and will continue to have strategic implications for the region. (1) While the US-led alliance-based partnerships, primarily bilateral, continue to be critical elements of the Asian strategic architecture, such alliances have acquired new characteristics, with allies and partners like Australia and Japan shouldering a bigger share of the security burden. Meanwhile, China has been forging close economic engagements with strategic underpinnings in the Indo-Pacific. The tensions between the parallel diplomacy fielded by the US and China have produced new security arrangements in the form of minilaterals in the Indo-Pacific. As Bhubhindar Singh and Sarah Teo argue, minilateral arrangements are somewhere between bilateralism (both the US- and China-led) and broader regional multilateralism (such as the Association of Southeast Asian Nations, or ASEAN), involving three to nine countries and are rather "exclusive, flexible and functional in nature." (2)

Minilateralism has found favour among several major powers in the Indo-Pacific primarily due to the question of credibility of the US alliance system in managing security challenges in the region. The credibility question has become a strong imperative for US alliance partners to forge closer strategic ties with other key powers in the region. Even as the US security alliance is a critical component of their security management, Australia and Japan, for instance, have pursued closer strategic partnerships with India, a good illustration of the evolving strategic minilaterals in the Indo-Pacific. Capacity constraints are another set of issues that have pushed minilateralism in the Indo-Pacific. All countries that are engaged in minilateralism have had to bear the brunt of aggressive Chinese behaviour in their backyard, while their capacity to deal with China militarily or economically on their own is far weaker than China's power. Therefore, capacity deficit has emerged as an important rationale for each of these nations to work with like-minded partners and combine their efforts and capacities to confront China in a more effective manner.

India and Minilateralism

India is not new to minilateralism. Six years ago, India endorsed and became party to trilateral security arrangements with the US and Japan. (3) In October 2015, the Malabar naval exercises, a bilateral series of naval exercises between the US and India, saw the participation of Japan. The Malabar series has been conducted since 1992, and other countries have on occasion joined the exercises. While the 2015 Malabar exercises were particularly highlighted, it came in the backdrop of a significant development with India, Japan, and the US elevating their trilateral dialogue to the foreign ministers' level. Since then, Japan has become a permanent partner in the Malabar exercises, thus making it a US-India-Japan trilateral naval exercise. The strategic imperative driving this trilateral partnership was the keenness among the three countries to uphold freedom of navigation and unimpeded lawful commerce in international waters, and respect for international law. Humanitarian assistance and disaster relief (HADR) is also gaining greater traction in the minilaterals in the Indo-Pacific, including the US-India-Japan trilateral partnership. These objectives have become particularly important with the increasingly aggressive

Chinese behaviour and growing incidents on land border, air and naval intrusions by Chinese armed forces in the neighbouring countries.

The trend towards minilateralism is unlikely to slow down in the contemporary security environment in the Indo-Pacific. China's behaviour with all its neighbours even in the midst of the COVID-19 pandemic has only accelerated the pace towards establishment of these informal security arrangements. But unlike multilateral platforms that are aimed to nurture 'inclusivity and nondiscrimination', minilateral initiatives are created among small groups of countries who have shared threat perceptions as well as a common understanding of ways and means to mitigate those threats and challenges. These are, therefore, likely to be specific task-oriented coalitions rather than broad-based cooperative mechanisms. Nevertheless, they could be helpful in dealing with specific challenges in a more effective manner because it is a grouping of like-minded partners. Given that these are smaller coalitions of the willing, it is also possible to reach agreements in a relatively easier fashion. This is not to suggest that every country will be on board with all the proposals even within smaller coalition. This may best be illustrated by India's approach; it has lately become comfortable with a number of minilateral arrangements, even if it is the slowest moving partner in many of these groupings. Many countries in the region, including India, have had difficulties taking sides between the US and China even though minilaterals like the Quad and other trilaterals are taking shape, many clearly indicating strategic choices.

The recently-established trilateral initiative among India, France and Australia is a case in point. In September 2020, the grouping had its first meeting with the objective of "building on the strong bilateral relations that the three countries share with each other and synergising their respective strengths to ensure a peaceful, secure, prosperous and rules-based Indo-Pacific Region." (4) A tweet by India's Ministry of External Affairs spokesperson said that the initiative is meant to arrive at "convergences in our approach to the Indo-Pacific region and to explore ways to strengthen trilateral cooperation, particularly in the maritime domain." (5) Each of the three foreign ministries issued a statement but the French statement was particularly forthcoming, highlighting the

significance of international law, peace and security in the Indo-Pacific. The statement went on to say that the trilateral meeting "helped underscore the goal of guaranteeing peace, security and adherence to international law in the Indo-Pacific by drawing on the excellence of bilateral relations between France, India and Australia." (6)

India is also engaged in another important trilateral in the region—the India-Australia-Indonesia trilateral that started with the Senior Officials Meeting in 2017 and has had three interactions so far. (7) Similar to the India-Australia-France trilateral, this grouping has also focused on several developments in the Indo-Pacific, including development assistance programmes, maritime issues and HADR efforts. There was also reportedly another important meeting among the three countries involving foreign and defence ministers. (8) All three countries have had to deal with China's use of force, including growing incidents of naval intrusion into Indonesia's Exclusive Economic Zone at Natuna Islands, the border conflict with India in Ladakh and elsewhere on the India-China border, and the use of trade and economic coercion against Australia, problems that have increased over the last year. In the joint statement after their virtual bilateral summit meeting in June 2020, Indian Prime Minister Narendra Modi and his Australian counterpart Scott Morrison highlighted the importance of the India-Australia strategic partnership with third countries, establishing trilateral arrangements such as India-Australia-Japan and India-Australia-Indonesia groupings, as well as their engagements in broader minilaterals such as the Quad-Plus initiative involving New Zealand, South Korea and Vietnam. (9)

In fact, the Australia-Japan-India trilateral appears to be gaining greater heights with an action-oriented agenda shaping it. In September 2020, the trade ministers from the three countries agreed to set up a supply chain resilience programme for the Indo-Pacific. The decision was taken at a virtual meeting between Australia's Simon Birmingham, Japan's Kajiyama Hiroshi and India's Piyush Goyal, a move that was prompted by the shared recognition of vulnerabilities from excessive economic dependence on a single source (China). The details of the initiative are being worked out by the respective bureaucracies, and is scheduled to be launched in 2021. The proposal is meant to work out ways and means to

develop and nurture alternate supply chains with an objective to limit China's hold on global supply chains. Once launched, the initiative plans to expand to other countries in Southeast Asia.

Implications of Indo-Pacific Minilateralism

While HADR, freedom of navigation, and respect for rule of law and the rules-based order are important factors driving minilateralism in the Indo-Pacific, it is the changing balance of power in the region and beyond that is pushing the formation of these minilaterals. Given the power dynamics at play, which are unlikely to settle down for some time, it can be assumed that more and more minilaterals are likely to take shape in the coming years. It is important in this context to understand the possible ramifications of the rise of minilaterals and how they could potentially alter the traditional regional multilateral frameworks.

India, for one, has shun many of its traditional inhibitions about joining trilateral and other strategic minilateral groupings in the Indo-Pacific given the evolving security condition around its borders, with China at the fulcrum of these changing dynamics. Although India was traditionally somewhat hesitant in embracing these smaller and exclusive groupings, China's aggressive behaviour over the past few years has pushed it to change its mind and embrace these new initiatives. These minilateral engagements opened a menu of strategic options for India. Along with extended outreach, New Delhi has signed military and logistics agreements with a number of major Indo-Pacific powers, which have furthered India's maritime footprint beyond its immediate maritime spaces. This has also been useful in stepping up military preparedness and interoperability with like-minded strategic partners. India has, so far, signed agreements with all the major Indo-Pacific powers, including the US, South Korea, Singapore, Japan, France and Australia. India's signing of four foundational agreements with the US has significantly changed the quality of military-to-military interactions. With the signing of Communications Compatibility and Security Agreement with the US, the Indian military gained access to encrypted communication systems for seamless communication. In March 2019, the Indian Navy and the US Navy reportedly signed a loan agreement that saw the installation of two Pacific fleet-provided CENTRIXS (Combined Enterprise Regional Information Exchange System)

kits at the Indian Navy headquarters. (10) This is part of the plan to undertake additional deployment of such systems at a number of places and platforms, which will improve interoperability considerably. With India having made considerable investments in these major Indo-Pacific relationships bilaterally, trilaterally and other minilateral formulations, it has possibly altered the basic nature of its engagements with a number of countries, including China and Russia. The changes brought about in India's strategic partnerships are difficult to alter even if China were to make amends following the Galwan clash. This impact will be felt not just in the bilateral context but in the regional and even broader global strategic context.

The second impact may be in terms of how these minilaterals can contradict and diminish the role of regional multilateral institutions such as ASEAN, ASEAN Regional Forum and East Asia Summit. While the ASEAN and ASEAN-associated institutions have remained central to Indo-Pacific security, and ASEAN centrality has been reiterated by a number of Indo-Pacific leaders, the more dominant role exerted by China has been detrimental to that cause. By latching them to Beijing, China has made states such as Laos and Cambodia weak and pliable to its whims, thus weakening the neutrality, independence and 'centrality' of these institutions. Nevertheless, the emergence of minilaterals cannot be seen to be strengthening existing formal institutional arrangements such as the ASEAN. The net result is a divided region, with parallel diplomacy, one led by the US and the other by China, possibly sharpening the divide in the region. The competitive politics of the region can further hinder the process of reconciliation and compromise in the Indo-Pacific, only to the detriment of peace, prosperity and stability in the region. Minilateralism could undermine multilateralism if, for instance, these "minilateral initiatives become platforms for major power rivalry." (11) In essence, minilateralism is a symptom of the growing power conflict in the region, not its cause.

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ASEAN and the Indo-Pacific: Managing the Impact of Regional Power Shifts

Shankari Sundararaman

Almost until the first decade of the twenty-first century, the Association of Southeast Asian Nations (ASEAN) was seen as a forum that contributed to the maintenance of stable interstate relations in Southeast Asia and the Asia-Pacific. ASEAN's diplomatic ability to set the tone for regional issues was viewed as its capacity to manage major power relations in the region. This emerged from two strategies. First, from its inception to the end of the Second Indochina War, ASEAN's focus was to promote internal consolidation of its members while simultaneously managing the impacts of the Cold War in the region. Second was to build ties among the original members of the ASEAN, addressing both intra-state disagreements and unresolved territorial interstate disputes that plague these countries. The core principle by which ASEAN built its ties was based on "intramural peace and stability," in which the non-interference clause was critical. (1) While ASEAN's non-intervention policy was not etched in stone and was not absolute, it emerged from the "need to prevent external pressure from being exerted against perceived national interest". (2) While intramural peace and stability remained focused on efforts to build coherence among the original five members in the initial years, it was also considered critical when ASEAN membership began to

expand. Interestingly, the inclusion of Brunei did not create any hiccups as the country emerged as an independent entity in 1984, joining both the international system and the ASEAN, even as the third Indochina war gripped the regional environment. (3)

The efforts of ASEAN in managing the regional pulls and pressures have gone through significant phases, which critically highlight the normative approach and its limits to impact the regional power shifts, through diplomatic measures. Even as the region of the erstwhile Asia-Pacific is shifting to accommodate various degrees of "rescaling" induced by structural changes, such as the rise of China and the continued presence of the US in the region, the impact on ASEAN remains critical. (4) Jeffrey Wilson makes specific reference to different types of rescaling in the shift from the Asia-Pacific to the Indo-Pacific in which he broadly identifies "institutional and functional rescaling" as the core features that embody the shift to the Indo-Pacific. (5) This "rescaling"puts pressure on ASEAN members, placing the centrality debate under greater strain, while bringing the context of cohesiveness—or the lack thereof—more clearly into focus.

From ASEAN to Asia-Pacific Multilateralism: Formulating the Normative Approach

The early years of ASEAN addressed the ideological divides in the regional space, while pursuing a credible and effective role for the ASEAN in dealing with major power rivalries in the region. During the Cold War period, ASEAN's approach led to a series of informal mechanisms that began to shape multilateral processes and led to its emergence as a regional institutional mechanism. Due to the external environment, ASEAN was under pressure to formulate certain measures, which would ensure the insulation of the immediate region from influences exerted by major powers. These measures were more normative in practice and led to the evolution of mechanisms that promoted regional unity and stability such as the Zone of Peace, Freedom and Neutrality (ZOPFAN) in 1971, the Treaty of Amity and Cooperation (TAC) in 1975, and the Southeast Asia Nuclear Weapons Free Zone (SEANWFZ) in 1976. While the original five members of the ASEAN and later Brunei willingly adhered to these options, it also ensured that the regional environment was managed through a declaration of these intentions. For example, the debate over the ZOPFAN emerged

from Malaysia, which supported the idea of a neutral Southeast Asian region during the Non-Aligned Summit in 1970. (6) The focus of the neutrality that had been proposed by Malaysia was based on two critical approaches—first, the region's neutrality was to be guaranteed by the US, Soviet Union and China; and second, regional states would commit themselves to non-interference and non-aggression. (7) The demand for the recognition of neutrality drove home the point that the "root cause of instability in Southeast Asia" was major power rivalry. (8) However, ZOPFAN actually never acquired the scope of a declaration but remained only a document that was considered more as "intent" rather than as a "legal obligation". (9)

While the period of early cohesion ensured an ASEAN approach to formulating normative measures, the actual test for the regional grouping was evident during the third Indochina conflict when the pulls and pressures of individual countries was evident upon the ASEAN. Even while individual members differed on their views towards China and Vietnam and how the Cambodian issue evolved, the collective group took the position that impacted the security concerns of the frontline state in the conflict, Thailand, ensuring that cohesion remained a core aspect of ASEAN's diplomatic manoeuvres. (10)

Following the end of the Cold War, the focus and scope of establishing intramural peace and stability moved further as it was expanded to cover the remaining states of Southeast Asia. This, for the first time, reflected the dynamics that would emerge from the priorities of individual member states and how they responded to issues. Between 1995 and 1999, ASEAN expanded to include Vietnam (1995), Laos and Myanmar (1997), and Cambodia (1999). In the process of ASEAN's expansion, the context of intramural peace and stability remained as important as it was in the early phase. But the internal cohesion of the ASEAN began to see a shift. With the inclusion of new members, the diversification of security interests began to dominate the discourse. These pulls within ASEAN's core became critical as the regional structural changes began to impact the grouping.

While the initial two decades following the end of the Cold War saw ASEAN's framework extending to all its dialogue partners enlarging the regional mechanisms outwards, this began to seem unsustainable as power shifts took more concrete shape. ASEAN

was focusing on agenda setting even as structural changes were shaping the region beyond the scope of the ASEAN processes. This was evident after the 2012 summit in Phnom Penh when the ASEAN could not forge a cohesive approach to addressing the South China Sea issue.

Facing the Challenges of Major Power Rivalry in the Indo-Pacific

In the present phase, the emergence of a new Cold War—between the US and China—is once again impacting ASEAN's unity and cohesion. The question of ASEAN being in a state of *'strategic drift'* has been raised as its ability to manage major power relations in its immediate neighbourhood is proving difficult. Several factors are contributing to the pulls and pressures on ASEAN. (11)

First, the regional dynamics shaped by structural changes expose the strategic vulnerabilities of ASEAN members, pulling the group in diverse directions. Pressures from major power tensions is pulling members apart as evidenced during the 2012 summit when the chair Cambodia received flak for its inability to address the dispute in the South China Sea. Cambodia's close ties with China were considered a factor in its reticence to bring out a joint communiqué implicating the Chinese role in the conflict, as had been desired by members like Vietnam and the Philippines. Both Cambodia and Laos are economically dependent on Chinese investments, allowing China to push these states in supporting its position on issues of maritime and territorial disputes. (12)

This is also visible in the Philippines where President Rodrigo Duterte did not leverage the ruling of the Permanent Court of Arbitration but was willing to cut an economic deal with China to promote his domestic infrastructure campaign of "build, build, build". (13) While Duterte initially emphatically stated that he "needs China more than ever" to promote an ambitious infrastructure projects, in recent times he has taken a more strident position against China, including revoking a contract for building an alternate international airport at Manila. (14)

Second, China's efforts to establish a Sino-centric regional order creates the space for competing visions of leadership in the global order, with ASEAN states caught in the middle. John Ikenberry and Darren Lim have highlighted that Chinese efforts at restructuring institutions is a challenge to the existing normative frameworks,

as seen through the Asian Infrastructure Investment Bank, and efforts to promote the Belt and Road Initiative and the Maritime Silk Road. (15) These manoeuvres by China are critically aimed at shifting the geopolitical balance in the region, even as it seeks to enhance measures to address the continued growth of its economic sectors and find avenues to access the international space for its manufacturing sector.

Third, the major power rivalries in the Indo-Pacific are at an all-time high. The contributing factor is primarily the US-China relations, particularly the trade war, which has led to shifts in China's economic ties with the ASEAN states. ASEAN has moved closer to China economically even as the US tariffs on Chinese imports have forced China to move its economic focus closer home. What has been particularly evident during the outbreak of the COVID-19 pandemic is that China has used a dual strategy to deal with the ASEAN region—it has provided substantial economic and medical assistance to other countries, while simultaneously pushing regional states against a wall through assertive actions in the South China Sea. Consequently, several ASEAN countries, including Brunei, Indonesia, Malaysia, the Philippines and Vietnam, have been affected by Chinese presence in their waters, particularly eroding the tenets of the United Nations Convention on the Law of the Seas (UNCLOS) and its principles relating to exclusive economic zones. The most disturbing context of these violations has been the nature of Chinese dominance in the region during the pandemic.

Even as regional states have tried to cope with the ravages of COVID-19 on their health infrastructure and economy, China's efforts to push ahead its dominance in the region has led to considerable misgivings. Two clear outcomes that emerged from these events are evident. First, at the ASEAN Summit of June 2020, the grouping took a united position that the South China Sea dispute must be resolved on the basis of the UNCLOS. (16) Second the Ministerial Meeting of the ASEAN Regional Forum (ARF) held on 12 September 2020 also reiterated the importance of the UNCLOS as the basis of any resolution, while adopting the ARF Hanoi Plan of Action II (2020-2025). (17)

With an increasing number of countries interested in maintaining a normative approach to the Indo-Pacific, there is likelihood of a vertical division among the major powers and how they view the potential restructuring of power dynamics in the region. (18) In

addition to these developments, the 2019 ASEAN Outlook on the Indo-Pacific remains a living document indicating the shifts that ASEAN will need to address. While the document emerged prior to the pandemic, the ASEAN focus was that economic growth should remain unhindered and maritime security must be addressed collectively. However, as ASEAN aims at evolving its Indo-Pacific outlook further, it must be cognizant of the impact of the pandemic and the responsibility of regional states in maintaining stability. The new US administration continues to exercise a focus on the Indo-Pacific region as evident by the early days of the Biden presidency. While the Trump administration tended to divide ASEAN into different categories, the Biden administration is more likely to reassert the significance of multilateralism, which may give the ASEAN the boost it requires in maintaining its regional processes.

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Preserving 'ASEAN Centrality' in the Indo-Pacific: Challenges and Possibilities

Premesha Saha

Southeast Asian countries have always been wary of being drawn in the middle of great power struggles and have actively endeavoured to preserve the primacy of the Association of Southeast Asian Nations (ASEAN) and 'ASEAN centrality' in regional and global affairs. Many in the region see the US's Indo-Pacific strategy as nothing more than a means to contain the rise of China. For most ASEAN countries, China is an indispensable economic partner. Even though the four main proponents of the Free and Open Indo-Pacific (FOIP) concept—the US, Japan, India, and Australia—strongly advocate for 'ASEAN centrality,' (1) there is profound anxiety over broader implications for the grouping and its "centrality" in shaping the regional security architecture. Many in Southeast Asia feel that "although the principles underlying the Indo-Pacific are attractive to many ASEAN member states, long-held conceptions of ASEAN centrality and its meaning gives the organization apparent reason for hesitation. The reasons include fears of diminished centrality and relevance, and reluctance to endorse a more confrontational mindset being adopted by the US and its allies — including the revival of the Quadrilateral [Quad] grouping with India." (2)

The 'ASEAN Outlook on the Indo-Pacific' also underlines that the grouping "will continue to maintain its central role in the evolving regional architecture in Southeast Asia and its surrounding regions…[and serve as] an honest broker within the strategic environment of competing interests." (3) Even for Vietnam, which has strongly advocated the FOIP and the need for stronger ties with all like-minded partner countries in the region, proclaimed that the aim has been to "safeguard ASEAN's unity and solidarity in the face of increasing challenges and promote greater ASEAN pro-activism to defend the regional and extra-regional interests." (4) Indonesian scholars like Rizal Sukma have proposed that the country needs a "post-ASEAN foreign policy" (5) as well, but the official stand remains that ASEAN centrality be upheld and ASEAN mechanisms like the East Asia Summit (EAS) be regarded as a viable regional architecture platform for the Indo-Pacific. But with the viability of 'ASEAN centrality' under question amid divisions between member states on issues like the South China Sea, should it become the fulcrum of the FOIP? For how long will the US, India, Japan, and Australia continue to push for a central role for the ASEAN in the Indo-Pacific gambit? What are the challenges in operationalising ASEAN centrality in an already fraught Indo-Pacific?

ASEAN's Cautious Reception of the Indo-Pacific construct

While the FOIP concept was welcomed by countries like Vietnam, Singapore, Indonesia and Thailand with some apprehension, others like Malaysia, the Philippines (initially), Cambodia and Laos have largely remained silent on the matter. Indonesia was the most receptive to the Indo-Pacific construct and was the main architect behind the release of an ASEAN view on it, which took over a year to adopt and implement. This shows that although countries like Indonesia have openly embraced the FOIP construct, this is mainly under the assumption that it will enhance ASEAN presence in that broader construct. (6)

There are also fears that the change in and widening of the geostrategic focus will diminish the diplomatic centrality and relevance of ASEAN, even though ASEAN-led meetings such as the EAS includes India and is increasingly taking on an Indo-Pacific perspective. Initiatives such as the Quad, and other minilateral platforms heighten the fears of a "post-ASEAN future within which ASEAN's standing and ability to set the regional agenda and lead

discussion is diminished." (7) The fact that the newfound interest in the Indo-Pacific was an initiative by non-ASEAN countries heightens ASEAN's apprehension that diplomatic events and discussion may well transcend ASEAN centrality. (8)

The ASEAN has always maintained a neutral approach and balanced its relations well with the US and China. Openly adopting the FOIP, which the Chinese perceive as a 'China containment strategy,' will reflect a shift in neutrality. Moreover, the varying positions of ASEAN countries on the South China Sea dispute has already brought out the factions and divide within the grouping. Similarly, a non-unified stand on the FOIP will highlight the weaning ASEAN unity, impacting its image as a unified bloc.

Preserving ASEAN Centrality in the Indo-Pacific

In the last few decades, 'ASEAN centrality' and the principles of neutrality and inclusiveness have served the group and the region well, allowing ASEAN to take the lead in building an essential multilateral diplomatic architecture. As China continues to pose a threat to the rules-based order, the organisation must take a united stand and join hands with like-minded countries in the Indo-Pacific—India, Australia, the US and Japan, among others—to raise a voice against such aggressiveness.

Issues like the rising tensions in the South China Sea are not just regional (limited to Southeast Asia) but matters of global concern, especially for countries with an interest in the maintenance of a rules-based order. Discussions pertaining to the South China Sea should take place at the ASEAN but should include the statements of the 'extra-regional' countries, giving more credence to ASEAN's stand and potentially facilitating a faster resolution of the dispute, and in the process highlighting 'ASEAN centrality' (the group's leadership in global affairs). "ASEAN can still formally remain neutral vis-à-vis other countries but advocate a set of principles, norms, rules and practices as it has done successfully for decades. Doing so and engaging with FOIP that champions these principles, norms, rules and practices does not "exclude" China or any other country — it only voices disapproval of certain policies and actions. Furthermore, in doing so, ASEAN maximizes its relevance and usefulness to external powers in furtherance of

principles that protect the interests of member states and safeguard their sovereignty." (9)

The 'ASEAN Way'—signifying that decisions within the grouping are taken on the basis of consensus—is increasingly proving to be a hurdle in the preservation of 'ASEAN centrality'. Sensitive and challenging issues do not always involve or impede the interests and concerns of all ASEAN member states; the South China Sea dispute is a case in point. In such instances, a potential solution can be to form core groups of countries that have a direct stake in the issue to initiate discussions with the aim of resolution. The relevance of 'ASEAN centrality' is under question mainly due to the inability to resolve the many ongoing crises in the region. If these core groups can help in dealing with these crises, the credibility of ASEAN, and by extension 'ASEAN centrality', will rise.

Recently, especially in light of the COVID-19 pandemic, minilateral and plurilateral partnerships have become the more viable option for global cooperation. Minilateralism has emerged as the driving force of the Indo-Pacific discourse. ASEAN countries have shown some reservations in joining or participating in such initiatives as they view it as compromising their centrality. (10) A shift in this thinking is now noticeable in some countries as long-existing trilateral initiatives like the India-Indonesia-Australia forums are getting a much-needed push. (11)

Scholarly communities in some member countries have been advocating that "ASEAN can more proactively adopt "minilateralism," whereby core, likeminded Southeast Asian countries can adopt more expedient and robust responses to shared threats, including in cooperation with external powers." (12) It has also been pointed out that "in general, policymakers find minilateralism appealing because of its inherent flexibility, relatively low transaction costs, and voluntary, rather than mandatory, commitments. In the Indo-Pacific, minilateral cooperation does not negate or eliminate pre-existing multilateral commitments (like ASEAN) or bilateral alliances (with the US for example)." (13)

'ASEAN centrality' and unity has not diminished entirely, as the adoption of the 'ASEAN Outlook on the Indo-Pacific' shows.

Nevertheless, for the ASEAN to have a pivotal role in shaping the emerging order in the Indo-Pacific, a lot will also ride on how the member countries can work to restore 'ASEAN centrality' by amending the 'ASEAN Way' or thinking of "alternative and more optimal decision-making modalities." (14)

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The Andaman and Nicobar Islands: India's Strategic Node in the Indo-Pacific

Sohini Bose and Anasua Basu Ray Chaudhury

Legend has it that the Malays sailed west to capture aboriginals for slave trade from a nearby chain of islands, which they named 'Handuman' after the ancient Indian monkey deity Hanuman. (1) Later, in 1014 AD and 1042 AD, the southern islands of this archipelago were used as a strategic naval base by the Chola Dynasty, who referred to it as 'Ma-Nakkavaram,' a Tamil word meaning 'open land'. (2) At the hands of Marco Polo, the name morphed to 'Necuverann,' and eventually under the British, who also used one of the islands as a small naval base, the entire island chain came to be called the Andaman and Nicobar Islands. (3) The genesis of the names of these islands provides an insight into how connected the island chain had been to the countries in its proximity and also its geographical significance as a naval base. Currently, it is these two characteristics of the Andaman and Nicobar Islands that are in the focus of India's strategic attention, especially in the context of pursuing its interests in the Indo-Pacific.

Figure 1: Location of the Andaman and Nicobar Islands

Source: "The Little People Of The Andaman Islands" (4)

Referring to the combined geographical expanse of the Indian and Pacific Oceans, the Indo-Pacific is essentially a geostrategic realm of opportunities and challenges. For India, it stretches "from the shores of Africa to that of Americas," as declared by Prime Minister Narendra Modi at the Shangri La Dialogue in 2018. (5) 'ASEAN centrality' lies at the heart of India's conception of the Indo-Pacific and hence strengthening ties with the countries of Southeast Asia, which form the Association of South East Asian Nations (ASEAN), defines its Indo-Pacific aspirations and forms the basis of its 'Act East' and 'Neighbourhood First' policies. As the common maritime space between India and Southeast Asia, the Bay of Bengal and the adjoining Andaman Sea become cardinal for peninsular India's strategic maneuverers. However, for India, aspirations and apprehensions coexist in the Bay as the assertive rise of China in these waters raises concerns about the freedom of navigation along the important sea lines of communication (SLOCs), especially in the Malacca Strait, which is important for energy trade. As the sole archipelago of the Bay, striding important SLOCs and overlooking the Malacca Strait, the Andaman and Nicobar Islands is extremely critical for India's strategic interests.

Developmental Conditions

In a mark of its increasing importance in India's strategic discourse Modi visited the Andaman and Nicobar Islands in December 2018 for the first time, inaugurating several development

projects on connectivity, energy and tourism, signalling an end to the islands' isolation. (6) The Andaman and Nicobar Islands is home to some of the most primitive tribes in the world and also shelter exotic species of flora and fauna. It also contains about 30 percent of India's exclusive economic zones. To protect these environmental and anthropogenic rarities and other assets, the Indian government has sought to preserve the islands in its "existential setting against the pulls of exploitative enticements." (7) The governance parameters of the islands were regulated under a protectionist regime to ensure the preservation of natural resources. These were further sustained by environmentalists, anthropologists and social scientists and backed by the Supreme Court, which favoured environmental conservation in its judgements regarding the islands. (8) However, in recent years, the growing aspirations of the Andaman and Nicobar Islands' residents and the national interest to strengthen ties with Southeast Asia have prompted the government to rationalise progress with environmental protection to ensure "all round national development." (9) Thus, a change is gradually being witnessed in the Andaman and Nicobar Islands' governance. (10)

In 2015, the government announced an INR 10,000-crore plan to develop the islands into the country's first maritime hub under the supervision of the Andaman and Lakshwadeep Harbour Works, funded by the Ministry of Shipping and the Andaman and Nicobar Islands administration. (11) The project aims to develop the infrastructure necessary for a maritime hub and other facilities needed for its functioning, such as telecom, electricity and water supply. In 2020, the Chennai-Andaman and Nicobar undersea internet cable was inaugurated to provide high speed internet connection to seven islands. This will also facilitate trading and tourism on the islands. (12) If the strategic significance of the islands is to be converted to strategic utility, development must percolate into all aspects of its administration. To do so and consequently leverage the proximity of the island chain with Southeast Asia, India has entered into a number of ventures in the Andaman and Nicobar Islands.

Initiatives and Partnerships

The Andaman and Nicobar Islands are geographically located much closer to the countries of Southeast Asia than they are to the Indian mainland. The Landfall Island situated at the northernmost tip of the island chain is 20 km away from Myanmar's Coco Island and the southernmost tip is 80 km from Sumatra in Indonesia. (13) Port Blair, the capital of the Andaman and Nicobar Islands, is 668 km away from the coast of Ranong in Thailand. (14) India can use the island chain's location to strengthen linkages with these countries.

Beyond the physical proximity, the geographical layout of the Andaman and Nicobar Islands also endows it with the potential to play a vital role in ascertaining maritime security in the region, especially in terms of maintaining freedom of navigation. This is because the Andaman and Nicobar Islands straddles the Preparis Channel, the Duncan's Passage, the Ten Degree Channel and the Six Degree Channel, all of which are important shipping routes. It thereby creates a series of chokepoints close to one of the world's busiest shipping lanes, the East-West shipping route, which passes just eight nautical miles below the Andaman and Nicobar Islands. The island chain also lies almost at the juncture of the Indian and the Pacific Oceans and is the first land connect from the Malacca Strait. It is not surprising that the Andaman and Nicobar Islands has often been referred to as one of the "most strategically located island chains of the world." (15) Cognisant of this strategic criticality, India has undertaken the following endeavours:

Fostering the islands' connectivity linkages: The Andaman and Nicobar Islands have long been deemed suitable for the establishment of a transhipment port as it provides the advantage of a deep draft (18 meters minimum) capable of accommodating mainline container vessels, unlike the ports on the Indian mainland. But little headway has been made due to objections from the environment ministry despite the losses being incurred. For instance, in 2013-2014, the Indian port industry incurred a revenue loss of about INR 1,500 crore due to the transhipment of containers destined for India at nearby foreign ports like Colombo (Sri Lanka), Singapore or Klang (Malaysia), which added to the trade cost. (16)

In August 2020, the government announced plans to develop a transhipment port at the Great Nicobar Island. (17) The location provides a draft of 20 meters, which is adequate to accommodate container vessels of over 15,000 twenty-foot equivalent units. As a shorter distance effectively translates into reduced expenditure, a transhipment port at the Great Nicobar is likely to be the preferred choice for countries in its proximity, such as Bangladesh, Myanmar, Thailand and Indonesia. Strategically, the port will also be located close to the Malacca Strait and the East-West shipping route, which connects Europe and Africa with Asia. This endows it with the potential to emerge as an alternative transhipment facility in the region; a share of even five percent of the total shipping traffic in this area will be lucrative for India. (18)

The government has also entered into international partnerships to enhance the connectivity and prominence of the island chain. The Thai government is keen on connecting the port of Ranong with countries in this region and developing linkages with the Andaman and Nicobar Islands may be a possibility. (19) In 2018, India and Indonesia, under the rubric of 'Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific', set up a special task force to enhance connectivity between the Andaman and Nicobar Islands and the port of Sabang in Aceh to promote trade, tourism and people-to-people contacts. (20) In 2019, the Aceh Chamber of Commerce also dispatched a merchant vessel, KM Aceh Millennium, with 150 tonnes of cargo for exhibition at Port Blair, which symbolised the viability of such a shipping link. (21) This partnership may develop into direct short sea shipping between the Andaman and Nicobar Islands and Aceh.

However, there continue to be concerns about the shortage of tradable items from the islands and it is necessary for India to engage in deeper consultations with countries in the region to identify more commodities. This will ensure the viability of trade links and robust and sustainable ties between India and Southeast Asia. However, for trade and connectivity to prosper, the seas need to be secured, making military cooperation an important aspect of India's pursuit in the Andaman and Nicobar Islands.

Security collaboration from the islands: In recent years, China's efforts to maintain an assertive presence in the Indian Ocean Region

to overcome its 'Malacca Dilemma' (China's fear of a maritime blockade at the Straits of Malacca) and fulfil its 'Maritime Silk Road' ambitions have fuelled apprehensions about the freedom of navigation in these waters. Consequently, the littoral countries as well as external major powers have sought to engage in security collaborations to ensure free movement along the SLOCs. The strategic location of the Andaman and Nicobar Islands makes it well suited to be the nodal point in such collaborations. India has sought to leverage the potential of the islands to protect its own interests and boost its image as the 'net security provider' in the region. (22)

Accordingly, India has begun enhancing the capacity of the Andaman and Nicobar Command (ANC), which is responsible for monitoring the shipping routes passing through the Andaman and Nicobar Islands. Following the Ladakh stand-off with China, India has sought to expedite plans for stationing additional forces, warships, aircrafts and missile batteries in the Andaman and Nicobar Islands. There have also been reports of naval air stations INS Baaz and INS Kohassa expanding their support operations. (23) Leveraging the locational proximity to Southeast Asia, the ANC conducts joint maritime exercises such as the Singapore India Maritime Bilateral Exercise and Coordinated Patrols with Myanmar, Thailand and Indonesia. It also conducts MILAN, a biennial multilateral naval exercise, to build friendship across the seas. Twenty countries participated in the 2018 edition, making it the largest naval exercise in the Andaman Sea. (24)

However, building bridges of connectivity is rarely without its fair share of challenges. Malaysia and Indonesia interpreted India's attempts in the 1980s to develop the Andaman and Nicobar Islands as a move to dominate the region and project power east of the Malacca. Although the circumstances have changed since then, many observers maintain that regional countries will still be cynical of the heavy militarisation of the islands. Furthermore, India also continues to be uneasy about the involvement of foreign powers in the Andaman and Nicobar Islands, as is manifested in the absence of its facilities in the Indian Navy's plans to offer logistical support to partner navies. (25) However, an India-Japan cross-servicing agreement, which has provisions for the ANC to host Japanese warships, is under consideration. (26)

Conclusion

Given its physical location, the Andaman and Nicobar Islands are the natural platform for collaboration between India and Southeast Asia. Political will in India and other countries is high to develop these islands but it is important that the resolve survives the atmosphere of cynicism that has otherwise shrouded the Andaman and Nicobar Islands' prospects. This scepticism at either end may be attributed to the nascence of initiatives in the Andaman and Nicobar Islands, existing ambiguity about India's ambitions and the prevailing under-developed conditions on the islands. Improved communication and the fulfilment of the terms of existing agreements as they pertain to the islands is a high priority to truly realise its potential as India's strategic node in the Indo-Pacific.

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ANALYTICS AND AMBIGUITY: THE CRITICAL TECHNOLOGY FRONTLINE

Towards a Free and Open Indo-Pacific Through Critical Technologies

Aarshi Tirkey

Critical technologies are shaping the new dimensions of geopolitical contestations in the Indo-Pacific. Technologies associated with the fourth industrial revolution—namely 5G, artificial intelligence (AI), nanotechnology, robotics and quantum technology—will be crucial to give impetus to innovation, economic progress and social development within countries. (1) The early adopters of such technologies will find themselves at the forefront of the next stage of the digital revolution, while the first movers—those who will be the providers of this technology—will become global tech leaders. Moreover, technology is also changing the nature of economies by making them data driven. As such, the emergence of new forms of economy, based on big data, AI and machine learning, has also created powerful incentives for strategic trade and investment policy to capture the vast benefits at stake. (2)

Exploring the Debate on Critical Technologies

Decisions related to critical technologies have become mired by several concerns, and require careful analysis of security, strategic, economic and foreign policy risks. For instance, the nature,

impact and use of different emerging technologies—specifically those that are disruptive or have dual use applications—can expose countries in the Indo-Pacific to new vulnerabilities and security risks. This is being illustrated by the ongoing debate vis-à-vis the 5G technologies, where Chinese tech, investments and preferential trade terms are often treated with suspicion. Many countries, such as the US and Australia, have sounded the alarm on Huawei, citing its opaque ownership structure, proximity to the Chinese Communist Party, and the potential for espionage and cyber security risks. (3) However, given its affordable pricing, legacy networks and longstanding partnerships, Huawei has steadily grown to be a dominant supplier of 5G equipment.

Technology related decisions could have a great impact on geopolitics and even recalibrate the existing balance of power. (4) It is well established that power and economic wealth concentrates with those that control new and crucial technologies. Countries that become global tech leaders are further able to consolidate their primacy by dominating the manufacturing, supply, investments, knowledge sharing, training and capacity building, and norms building in emerging technologies. This, coupled with the asymmetry in technological prowess between countries, means that global tech leaders will naturally become the preferred exporters of emerging technologies while the rest will be importers or consumers. As countries attempt to swiftly adopt new technologies, they must carefully avoid entering an unequal relationship with the exporter, who may be well positioned to bargain and influence the policies of the consumer country.

The significance of this asymmetry in technological skill is also best understood through geoeconomics. While there are several definitions of the term, geoeconomics can be "thought of as the use of economic power either to achieve political objectives or influence… for the capture of international economic rents by establishing rules or standards favourable to a country's interests, by providing bargaining leverage in negotiations, and so forth." (5) In the post-Second World War period, the US exercised considerable influence over others by virtue of its status, size and wealth. Similarly, China is now well positioned to utilise its status

as the second-largest global economy, its integral position to the global supply chain, and through mega-regional initiatives such as the Belt and Road Initiative to become a major developer and provider of critical technologies.

Push and Pull of Geopolitics

While these concerns dominate debates among policymakers, it is important to highlight the role played by the US and China individually in influencing technology-related decisions in the Indo-Pacific. The US has been batting for "clean telcos" like Ericsson, Nokia and Samsung, arguing that "trust" in Huawei does not exist and that it poses an "unacceptable risk" to national security, critical infrastructure and privacy. (6) In little over a year, the erstwhile Trump administration enacted a broad range of measures to restrict Chinese technology, investments, goods and services from entering the US. These expansive policies coincided with concerns regarding China's access to critical technologies, the possibility of surveillance and espionage, and the use of such technologies for political ends. (7) A variety of laws and regulations in the form of export control regimes, licensing requirements and visa restrictions have created new risks for businesses, individuals and multinational companies. For instance, the 2018 Export Control Reform Act restricts the exports of dual use emerging or foundational technologies, (8) while a more recent amendment to the Foreign Direct Product Rule (FDPR) directly prohibits Huawei's access to US technology. These measures have changed the landscape for global supply chains in information and communications technology and services. (9) (10) For instance, the amendment to the FDPR was cited by the UK as a reason for changing its position on Huawei—from initially allowing the company to later announcing that it will phase out Huawei tech equipment by 2027. (11)

China has also responded with new regulations and policy interventions, placing similar restrictions on trade, investments and technologies. These new laws have been introduced with the intention to protect and safeguard its national sovereignty, security and developmental interests, (12) penalising entities for complying with foreign directives that are harmful to China's government

and business interests. Most notable is the 2020 Export Control Law, introduced to restrict or ban the export of certain cutting-edge technologies (such as AI) on the grounds of national security, public interest or environmental protection. (13) Violation of the law will lead to high monetary fines and business prohibition orders. The law has a wide reach and will be applicable to high-tech companies, universities, and research institutions. The new laws can help China retaliate against restrictions imposed by the US and its targeted actions against Huawei, ZTE, ByteDance (TikTok) and Tencent (WeChat), opening up a new chapter in the ongoing trade and tech war between the US and China and likely to further disrupt global supply chains. Multinational companies, businesses and individuals who are likely to be caught in the crossfire will face complex business decisions going forward.

Responses in the Indo-Pacific: 5G and Beyond

Countries in the Indo-Pacific region are cognizant of the disruptions, fractures and threats that can be posed by the geopolitical and geo-technology rivalry between the US and China. However, China's geographical proximity and its vast territorial reach, economic might and military power will play a key role in influencing national policies on critical technologies in the Indo-Pacific, and very few countries can take a strong stance against this. A survey of 5G networks in 17 Indo-Pacific countries shows that Australia, US and Taiwan have officially restricted Chinese equipment; India and Japan have placed unofficial bans; Laos, Myanmar, Brunei, Thailand, Indonesia, Cambodia, Malaysia, South Korea, and the Philippines lean heavily on China and Chinese technology; Singapore has remained ambivalent between the US-China; and Vietnam has placed a "quiet ban." (14)

Concerns related to emerging technologies affect all critical and emerging technologies, such as digital platforms and under-sea fibre optic cables, and digital governance. In terms of risk assessment, while many discussions focus on geopolitical and security risks, other considerations such as the possibility of a heavy reliance on imports from a single supplier can also affect supply chain resilience and became a major source of vulnerability. For instance, even

though China dominates the production of rare earth elements, countries like Vietnam and India have significant reserves and can compete with it but may struggle to do so as they lack investment and processing capabilities. (15) With the possibility of a single supplier dominating the market, the notion of supply chain security is gaining increasing relevance in policy circles. But how far China can be excluded from the technology supply chains when they are incredibly complex and interdependent, and business decisions do not rely on geopolitical imperatives but on economic rationale?

Evidently, there is increasing competition over who will control critical technologies and the norms governing them. (16) Members of the Quadrilateral Security Dialogue (Quad)—India, Australia, Japan and the US—value free, open and transparent digital development and are working towards this by promising to launch a critical and emerging technology working group to facilitate cooperation on international standards and innovative technologies of the future. (17) The setting up of the Quad Tech Network to promote Track 2 research and public dialogue on cyber and critical technology issues is also a method to actualise such policy outcomes. The Quad countries have also enacted law and policy measures to safeguard critical technologies and ensure supply chain resilience. In February 2021, US President Joe Biden announced measures to maintain resilient and secure supply chains, even in critical technologies such as semiconductors, rare earth elements and high capacity batteries. (18) The Australian government also announced that it is committed to strengthening the understanding of cyber and critical technologies in the "Indo-Pacific region" to ensure a safe, secure and prosperous region. (19) In 2020, India's Ministry of External Affairs set up the New and Emerging Strategic Technologies division to deal with foreign policy and international legal questions, underscoring the strategic importance of critical technologies. However, while the commitment to secure technology remains important, the non-Quad countries in the Indo-Pacific appear ambivalent to the China question.

Geopolitical considerations in the Indo-Pacific, dominated by the US-China rivalry, will be critical to the technology question, particularly since both countries are framing critical technology

issues through the national security lens. (20) However, to work on a free and open information environment in the Indo-Pacific, the region must be seen beyond the US-China binary. Forming and strengthening coalitions to cooperate on norms for digital governance and diversify supply chains will reduce disruptions and improve supply chain resilience. Utilising regional initiatives like the Quad and other multilateral platforms to improve cooperation and work towards robust policy outcomes will help build an Indo-Pacific where information is free, open and transparent.

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Emerging Military Technologies and What They May Mean for the Indo-Pacific

Javin Aryan

As the Indo-Pacific becomes the economic and geopolitical focus of the world's major powers, concerns over the proliferation of military systems in the region have heightened. This worrying trend originates in the rise of a belligerent China, which has established itself as an aggressor on multiple fronts, from territorial and trade conflicts to human rights and civil liberties violations. Its actions and rhetoric have sent warning signals far and wide. At the same time, the exponential upswing in Beijing's military might has made the alarm bells sound even shriller. These developments have led to a growing consensus among countries big and small that there is an urgent need to persuade China to course-correct and be ready for confrontation if it will not.

Doing so, however, will require a collective approach, and even then, the effort is unlikely to succeed if it does not include a military component. Acknowledging this in his State of the Union address in April, US President Joe Biden stated that the country will "maintain a strong military presence in the Indo-Pacific, just as (it does) with NATO in Europe — not to start a conflict, but

to prevent one." (1) The UK's decision to deploy its Carrier Strike Group, led by HMS Queen Elizabeth aircraft carrier, in the region echoes the same sentiment as well. (2)

These developments, nonetheless, increase the risk of a global arms race. The evolution of traditional systems like fighter jets, hypersonic missiles, submarines, aircraft carriers, tanks, and nuclear weapons has long threatened regional stability and the equilibrium of power. It is the arrival of cost-effective and innocently lethal emerging military technologies, though, that is going to herald a new generation of warfare. Within the confines of the Indo-Pacific, countries leading the charge in the development of these technologies include China and the US, with India rounding up the podium. Hence, it is advancements in these nations that are featured prominently.

Emerging Military Technologies

The pace at which modern technology has been progressing is unprecedented. This has enabled many systems that were once part of fiction to come to life. Noteworthily, many of these advancements are dual use, i.e., they can be used for both civilian and military purposes. Those of us who have watched science fiction like *Star Trek*, *Star Wars*, and *Westworld* will be well-aware of the concepts behind these next-generation weaponry and their enabling technologies. Three such systems that have advanced the most in the recent past are artificial intelligence (AI), robotics and autonomous/unmanned weapons systems, and directed energy weapons (DEWs). Significantly, countries driving this progress, or planning to join the action, are all patrons of the Indo-Pacific.

Artificial Intelligence

The most ambiguous of the lot, AI is defined as "the ability of machines to perform cognitive tasks like thinking, perceiving, learning, problem solving and decision making." (3) Underlining its dual-use character, Satheesh Reddy, chairman of India's Defence Research and Development Organisation (DRDO), has highlighted the technology's "tremendous potential in military applications such as warfare platforms, cyber-security, logistics

and transportation, target recognition, battlefield healthcare, combat simulation and training, threat monitoring and situational awareness." (4) To realise this potential, the DRDO has deputed its Bengaluru-based Centre for Artificial Intelligence and Robotics, which in turn lists its work in developing command, control, communications, computers, and intelligence, surveillance and reconnaissance (C4ISR) systems for the Indian military and a decision support system framework that can enable military leaders to take faster and more efficient tactical and operational decisions by processing and analysing vast amounts of data in accordance with an ontological database. (5)

Across the Himalayas, China's interest in militarising AI has been much more ambitious. According to the US Department of Defense's assessment, China's People's Liberation Army (PLA) sees the operationalisation of emerging technologies like AI as a key component of their concept of "intelligentised warfare." Based on the basic principle that AI will help the military make decisions faster and more efficiently—thereby increasing "the speed of future combat"—intelligentised warfare builds on this by calling for the integration of other technologies and capabilities like big data analytics, cloud computing, unmanned systems, and autonomous command and control systems. Hence, future PLA C4ISR systems are expected "to use AI to collect, fuse, and transmit big data for more effective battlespace management and to generate optimal courses of action." (6)

In line with these goals, the China has launched programmes like the "New Generation Artificial Intelligence Development Plan" that aims to build up China's domestic AI industry by 2030. (7) Remarkably, any technological breakthroughs achieved by the country's private sector could easily be used to benefit the PLA through the implementation of Beijing's Military-Civil Fusion strategy and the National Intelligence Law.

While developing its own capabilities, the PLA is also looking for ways to target its adversary's AI and command and control systems to maintain informational superiority. It also intends to enhance its cyber and electronic warfare capabilities "through AI-assisted network vulnerability analysis, countermeasure identification, and electromagnetic spectrum management." (8)

AI can also be used to augment traditional weapon systems' infrastructure. If integrated with a country's nuclear weapons or missile defense architecture, it can increase early warning times, make target acquisition and neutralisation more efficient, and secure and automate command and control systems.

Robotics and Autonomous/Unmanned Weapons Systems

The idea of using robots and unmanned systems for military operations has been part of the strategic discourse for a while now. Their potential in intelligence, surveillance and reconnaissance activities, logistics delivery, and lethal attacks behind enemy lines makes them a force to be reckoned with. Additionally, in large numbers, unmanned aerial vehicles (UAVs) can saturate, overwhelm and exhaust the adversary's air defense systems, all while shielding personnel from harm. The deployment of unmanned systems, however, was restricted by high developmental and operating costs and lack of progress in enabling technologies, such as AI, power source, and processing power.

Over the last few years, though, rapid technological advancements in key areas have led to these platforms becoming more cost-efficient, destructive, enduring, and intelligent. These improved characteristics of lethal autonomous systems were on display during the 2020 Armenia-Azerbaijan war over Nagorno-Karabakh. Azerbaijan's use of Israeli and Turkish UAVs and loitering munitions resulted in Armenian troops and assets becoming sitting ducks, helpless against an enemy that they could not see and could not defend against. (9) If such a conflict were to occur in an increasingly active, populous, and interconnected Indo-Pacific, its consequences would be devastating and far-reaching.

Unperturbed, the number and types of UAVs under development or in operation have skyrocketed. They include: common camera drones; air-launched swarming variants (like India's ALFA-S and the US's Gremlin and LOCUST programmes); autonomous wingmen (like India's CATS Warrior and the US' Skyborg initiative); medium-altitude long-endurance systems (like India's Rustom-2, the US's Predator B, Israel's Heron, and China's Wing Loong II, CH-5 and BZK-005); high-altitude long-endurance systems (like China's Soar Dragon/WZ-7 and the US's Global

Hawk and Triton); and stealth unmanned combat aerial vehicles (like China's GJ-11, the US's X-47B, and India's Ghatak). (10, 11) This rate of progress bears testament to the extent to which countries are planning to integrate these systems in their concept of operations (CONOPS).

Directed Energy Weapons

The US has been researching DEWs since the 1960s, although it has achieved success only relatively recently. Defining them as weapons "using concentrated electromagnetic energy, rather than kinetic energy, to incapacitate, damage, disable, or destroy enemy equipment, facilities, and/or personnel," the US Department of Defense lists the system's use in "short-range air defense (SHORAD), counter-unmanned aircraft systems (C-UAS), or counter-rocket, artillery, and mortar (C-RAM) missions." (12)

Australia, China, India, Israel, Russia, and the UK are the other countries that have made headway in developing or operationalising DEWs (see Table 1). France, Germany, South Korea, and Japan have stated their intention to build such weapons systems as well. (13, 14, 15)

Table 1: DEW Capability of Major Powers

Name/Country	Type	Specifications/ Capabilities	Operational Status
Australia	Laser (26-kilowatt; continuous wave)	A scalable, counter-UAV weapon	Late 2021 (expected)
Counter-Electronics High Power Microwave Advanced Missile Project (CHAMP), US	Microwave	Can be fitted into an air-launched cruise missile and delivered from B-52 bombers; range of 700 miles	Deployed in 2019
Laser Weapon System, US	Laser (150-kilowatt)	Ship-defense system; capable of blinding enemy forces as a warning, counter-UAV, disabling boats, and damaging helicopters	Fitted on USS Portland in 2019
HELIOS, US	Laser (65-kilowatt+)	High Energy Laser with Integrated Optical Dazzler and Surveillance (HELIOS) system; developed by Lockheed Martin	Fitted on USS Preble destroyer in 2021
Kilo Ampere Linear Injector, India	Microwave	Antisatellite; can counter UAVs, missiles, and aircraft	Unknown
India	Laser (10-kilowatt)	Trailer-mounted; can engage aerial targets at a 2-km range	Unknown
India	Laser (2-kilowatt)	Tripod-mounted; counter-UAV; 1-km range	Operational
Peresvet, Russia		Claimed to disrupt GPS, communications signals, and may be able to perform counter-UAV and antisatellite missions	Active since 2018
Dragonfire Program, UK		Procurement of two laser-based demonstrators and a radio-frequency weapon	Testing began in 2019; Trials expected by 2023
PY132A, WJG-202, and BBQ-905 laser rifles, China	Laser	Claimed to blind enemy sensors and cameras, interfere with and damage night vision equipment, pick up encrypted communications, and detect stealth aircraft	Unknown
Low Altitude Guard II, China	Laser	Counter-UAV	Unknown
Silent Hunter, China	Laser (30-kilowatt)	Uses fiber optics mixed with rare earth minerals; has optical/infrared tracking system	Showcased in 2019
Japan	Laser	Can be mounted on vehicles; capable of shooting down small UAVs	Under development
Anti-Aircraft Weapon Block-I, South Korea	Laser (20- kilowatt)	Capable of detecting and tracking small UAVs and neutralizing them at a close range of up to 3 km	Under development
Anti-Aircraft Weapon Block-II, South Korea	Laser (30- kilowatt)	Can be mounted on a truck; capable of detecting, tracking, and neutralizing small UAVs	Under development

Source: Author's own using various sources; Note: This is not a comprehensive list

Challenges Galore

Countries pioneering emerging military technologies must ensure that they do not find themselves on the wrong side of two significant international laws. First is the United Nations Protocol on Blinding Laser Weapons, which places "restrictions on the use of certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects," such as causing permanent blindness. (16) Second is Article 36 of the 1977 Additional Protocol to the 1949 Geneva Conventions that obliges a state to determine whether the "development, acquisition or adoption of a new weapon, means or method of warfare" is prohibited by the 1977 Additional Protocol or any other international law. (17)

Simultaneously, nations must contemplate the level of autonomy they should give their systems. Ethical questions related to whether computers should have the ability to take life and death decisions without human input may arise. And what happens if the technologies these weapons systems rely on fail or are misused? Operational plans would have to ensure the safety of non-combatants/civilians during hostilities and human life in general in case the systems malfunction or are hacked.

It should also be emphasised that even though innovation in emerging military technologies is gathering pace, most of it is being driven by major powers, leaving smaller countries at risk or their mercy. Thus, it is crucial that current arms control treaties hold and are expanded so that the sovereignty and security of all nations in the region remain intact. Countries like China and Russia, which have resisted efforts for a ban on lethal autonomous weapons, and the US, which has been uninterested in discussing the topic, must be brought back to the table to reach an equitable solution. (18)

On the operational front, militaries intending to integrate these new systems into their operations would have to carefully navigate several hurdles, such as research and development, acquisition, financing, updating their CONOPS, and recruiting and training a specialised workforce that can operate, service and protect these systems, among others.

As the future of modern warfare takes shape, it is both exciting and alarming to see the developments in emerging military technologies. Those in the Indo-Pacific will justifiably be even more concerned. At such a time, we must look forward to the light at the end of the tunnel and hope that the will of rational and responsible actors prevail.

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Securing the Cyberspace

Ratnadeep Chakraborty

The internet—originally an alternate means of communication in the event of a nuclear attack or disruption of telephone connections during the Cold War era—has around 4.72 billion users globally at present. (1) The internet has many vulnerabilities, and currently there is a different kind of warfare being fought by invisible armies without using any artillery. The threat environment for cybersecurity is complicated and rapidly changing. The COVID-19 pandemic has driven millions of workers to adapt to a work-from-home environment, which, in many instances, has imposed considerable stress on firms' cybersecurity capabilities. (2) There has been an increase in the number of cybercrimes, with phishing, ransomware, and malware the top three cyber security threats. (3) Dangers include disabling the military by interfering with the Global Positioning System and other networks, stealing intellectual property and thus destabilising the economy, and disrupting or taking down power grids and water supply systems. In 2018, there were 80,000 attacks per day on average, (4) resulting in over US$45 billion in loses worldwide. (5)

Combating cyber warfare needs partnerships and cooperation among other states to tackle the rogue nations and non-state actors that use cyber-attacks since most cannot be traced back to the source. This will also need partnerships between government and private organisations since a lot of critical infrastructures are owned by private entities.

Need for Cybersecurity

The first large-scale cyber-sabotage and destruction of critical infrastructure event was done through operation 'Olympic Games' that targeted the Iranian nuclear facility at Natanz in 2010. The Stuxnet virus is said to have been carried inside the nuclear facility on a USB drive to target Siemens industrial control systems, specifically the Programmable Logic Controller. The payload of the virus was uncertain and once it infected a Windows computer, it used two stolen certificates and installed a rootkit to hide itself. (6) The malware continuously increased and decreased the frequency of the convertors before 1,000 of the 5,000 centrifuges stopped spinning at Natanz (7). This incident dismissed assumptions that industrial systems were immune to cyber-attacks, and showed that they were easily accessible and vulnerable to malicious actors.

With rapid digitalisation, the Indo-Pacific, like many other regions, faces an imminent threat to critical infrastructures, including gas, water supply systems and electric power systems, in the region. The energy sector remains the main target of cyber-attacks and one of the causes for such attacks lies is the information and communication technology components introduced in the past to improve the efficiency and cost of critical infrastructure. (8) Although the critical infrastructure may operate without connecting the control systems to an external network, malware that targets control systems directly exist. Most attacks on critical infrastructures are not to steal data but to hinder business activities and exert a significant social impact. Every cyber-attack on critical infrastructures will have a huge impact on the economy. For instance, a cyber-attack on a Ukrainian power plant cut power for several hours, impacting 225,000 people. (9)

Anti-Cyber Warfare Capabilities in Indo-Pacific

The Association of Southeast Asian Nations (ASEAN) countries have been victims of advanced persistent attacks that have targeted various government, diplomatic, military and political entities. (10) There have also been privacy breaches involving user data. (11) Recognising the importance of cybersecurity, ASEAN became the first region in the world to adopt a harmonised legal framework for e-commerce and establish a computer emergency response system. (12)

Japan has adopted an official definition for cybersecurity and categorised the roles and responsibilities of various entities through a fundamental law on cybersecurity. (13) It has launched a cross-sector forum in collaboration with academia and government to train, educate and hire cybersecurity professionals. (14) Due to Japan's limited spending on defence, there is not much scope to develop offensive capabilities. Nevertheless, the defence ministry houses a Cyber Defence Unit that currently has about 220 personnel monitoring and defending MOD and JSDF networks. (15)

Australia has moved up the 'cyber maturity' rankings due to continued investment in governance reform and the implementation of the 2016 cybersecurity strategy. (16) Cyber maturity refers to a country's readiness to mitigate vulnerabilities and threats from malicious actors. The more 'mature' a country, the better its cyber infrastructure. Australia has also issued four joint attributions with the US and the UK to identify cyber criminals in China, Russia and North Korea using offensive cyber capabilities. (17) And the Australian Signals Directorate uses this capability to target offshore cyber criminals, and respond to serious cyber-attacks. (18)

In India, the Computer Emergency Response Team and National Critical Infrastructure Protection Centre have worked with the private and public sector to secure critical infrastructure projects. (19) Although India is part of some bilateral partnerships and has signed memorandums of understanding with countries like Japan, Australia, France, Vietnam, Qatar, Singapore and Indonesia on cybersecurity, (20) it is not a signatory to the Budapest Convention (the first international treaty to address cybercrime by harmonising national laws, improving investigative techniques and cooperation

among member nations), has not supported the US's Clarifying Lawful Overseas Use of Data (CLOUD) Act (signed in March 2018 to provide transnational access to communications data in criminal law enforcement investigations), and has not entered the Paris Call for Trust and Security in Cyberspace (an agreement on nine fundamental cybersecurity principles and a commitment to promote a safe and secure cyberspace). (21)

The major threats in the Indo-Pacific come from countries like China, Russia and North Korea. Russia and China have used cyber espionage and engaged in politically coercive acts to gain an advantage in cyberspace. (22) China is considered to be responsible for cyber-espionage activities and stealing intellectual property worth trillions of dollars from major Fortune 500 company, American research laboratories and think tanks. (23) If the Chinese hackers can break the firewalls of these organisations to steal the information, it is safe to assume they have the capability to launch malware attacks on major critical infrastructure in the Indo-Pacific. For instance, the China-linked RedEcho recently targeted India's power sector, ports and railway infrastructure. (24) China has successfully embedded cyber techniques into military and economic policies more than any other country in the region. North Korea, on the other hand, does not have high-end cyber capabilities like China and has focused its attacks for cyber-heist to generate revenue and evade sanctions, but its growing power is a matter of concern in the region. (25) For instance, the Sony Pictures hack forced the company to rebuild its entire computer network after the hackers managed to erase corporate data and get access to company emails. (26)

Unlike state actors, non-state actors do not have the ability or the infrastructural capacity to launch a destructive offensive cyberattack. Terror groups also lack the expertise to carry out such attacks. As a result, state actors pose a greater threat to global cyber-security than non-state cyber-criminals. (27)

Tackling Cyber-Attack Threats

The emerging risk in the Indo-Pacific can be better managed through multilateral cooperation using existing platforms like ASEAN Regional Forum and East Asia Summit. The states with

weaker cyber infrastructure must work with other members of the Forum to develop their capabilities as they are the most vulnerable to malware attacks. In 2019, a formal cybersecurity coordination mechanism was agreed upon by ASEAN member states.

The US is a major cyber country with capabilities on par with, if not superior to, China. The US and its allies in Indo-Pacific, particularly India, Australia and Japan (through the Quadrilateral Security Dialogue), can encircle and contain Chinese through cooperation and increasing cybersecurity infrastructure. (28) The US can further engage China to define state responsibilities in the cyber domain to prevent a cyber conflict.

Countries like India that are not a part of any multilateral forum on cybersecurity must focus on strengthening bilateral partnerships relationship with Japan, Australia and the US. Japan and India have recently signed a bilateral agreement for cooperation on 5G infrastructure, artificial intelligence (AI) and the internet of things (IoTs), adhering to the principles of a Free and Open Indo-Pacific. (29) India can also work with Israel to develop infrastructure for cybersecurity.

Additionally, the UK will invest US$31 million to help vulnerable countries in Africa and Indo-Pacific develop cybersecurity infrastructure. (30) In December 2020, the European Union (EU) launched its new cybersecurity strategy to provide a framework for cooperation with partners in the Indo-Pacific region. (31) The EU is working with Japan on areas of 5G, trusted services and quantum communications. (32)

Integration of AI in Cybersecurity

The integration of AI in cybersecurity is a crucial way through which possible malware attacks can be stopped and the asset secured. With rapid digitalisation and the increasing number of IOTs, the surface of attack has expanded significantly; AI can identify similar patterns from experience to enable security and reduce the level of human monitoring.

AI can be also used for threat exposure to gain knowledge of global and industry-specific threats and what malware can be used to

target an organisation in the future, filtering out malicious spam or phishing emails, detect a network breach and acting on any malware attack instantly.

AI can also be employed to detect weaknesses in an organisation's network system that are at risk of being breached, and more resources and tools can be allocated to fill in gaps. (33)

Conclusion

Cyber-warfare is a complicated and expensive prospect; by 2025, cybercrime could cause an annual damage worth US$10.5 trillion. (34) Countries like India, Australia and Japan, which share similar ideologies and goals for an inclusive Indo-Pacific, must partner with ASEAN countries to combat cyber-espionage and malware attacks from China. Cyber-attacks were not considered a major threat until the 'Olympic Games' operations and most developing countries have struggled to improve the security of their critical infrastructures. Even the most powerful countries are vulnerable due to their increased connectivity. The unknown attacker plotting from a computer is now a far bigger threat. (35)

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