

GEOPOLITICS BY OTHER MEANS

THE INDO-PACIFIC REALITY

edited by **Axel Berkofsky** and **Sergio Miracola**
introduction by **Paolo Magri**



ISPI

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Introduction

In 2007, in a speech before the Indian Parliament, Japanese Prime Minister Shinzo Abe brought back to light an ancient Asian geographical vision: the so-called “confluence of the two seas”. It referred to the idea of linking the Pacific with the Indian Ocean, as Japanese policymakers conceived the concept at the time. That would later become the “Indo-Pacific region”, replacing the “Asia-Pacific” as a geopolitical concept, thus incorporating countries and countries’ policies deep inside but also outside the geographical boundaries of the Asia-Pacific. This is also the reason why Europe – or better – some individual European countries such as France and the UK, are currently developing and adopting policies and strategies in the name of the “Indo-Pacific”. It goes hand in hand with the increased presence of British and French navy vessels in Asian territorial waters.

The “Indo-Pacific” concept turned into a more coherent construct when it was first discussed and announced – at the governmental level – in the 2013 Australian Defence White Paper. Hence, since 2013, the geopolitical concept of “Indo-Pacific” has begun to be conceived as a means to connect India to the Pacific Ocean, e.g. by establishing closer political and security relations between New Delhi and the other key East Asian state actors minus China.

The concept also attracted interest within the administration of former US President Barack Obama, but it did not immediately push Washington to shift its strategic engagement in the region from the “Pivot to Asia” announced in

2011 to a full-fledged “Indo-Pacific” strategy. However, after Donald Trump’s first trip to Asia in November 2017, the Indo-Pacific started to take shape as the geopolitical and conceptual background of US security and strategic involvement in Asia. The former “Asia-Pacific” became the “Indo-Pacific” for Washington’s defence and security policy planners.

Even if much needs to be decided and defined as far as further strategic, economic, and trade cooperation between the US, Japan, Australia, and India is concerned in the Indo-Pacific region, the US under Trump is putting significant political capital and resources into expanding security relations with these major actors of the Indo-Pacific region.

Needless to say, the Indo-Pacific concept is also gaining traction because of China’s increasing foreign and security policy assertiveness (in the region and beyond). Currently, the outliers – as far as the expansion of security and defence ties are concerned – are Japan and India, also motivated by the expansive nature of China’s Belt and Road Initiative (BRI). Joint Japanese-Indian concerns are indeed directly related to the kind of policies and strategies China pursues with countries collaborating with Beijing on BRI projects in Asia, Central Asia, Africa, and Europe. Neither Japan nor India are part of the BRI, and even if Japan no longer categorically excludes collaborating with China on BRI infrastructure and development-related projects, the prospects of Japanese contributions to China-driven BRI continue to remain very bleak. Tokyo links its contributions to a series of preconditions, which many of the BRI projects simply do not meet.

However, not only Japan and India are expanding their on-the-ground cooperation to add substance and result-oriented projects to the concept of the Indo-Pacific. The US has begun to join Tokyo and New Delhi in promoting large infrastructure projects, either in a bilateral or multilateral framework. “Quality infrastructure” by Japan, the US, and India is what they promote, with an emphasis on quality as “sustainable” and “balanced” in opposition to Chinese-led mega-infrastructure

projects. These projects, critics point out, have led to a sharp increase in developing countries' debts to China, beyond sustainable levels. Japan has successfully kept the Trans-Pacific Partnership (TPP) alive, after Donald Trump decided to abandon this inter-regional free trade agreement on his first day in office in January 2017. For its part, India continues adopting what since 2014 it refers to as "Look East" policies, i.e. India's closer involvement in East and Southeast Asian politics and security.

Australia, in turn, has since 2013 adapted its foreign policy strategy to the fast-changing Asian strategic landscape. The growing Chinese presence in the Pacific Ocean is further undermining Australia's diplomatic leverage on the small Pacific Ocean countries. Thus, Canberra is aiming at closer cooperation with Japan, India, and the US. This quadrilateral relationship is gaining, in fact, a new momentum under the term and concept of "Quad".

However, if India, Japan, the US, and Australia are now firmly committed to the establishment of a new strategic area for regional interstate relations, China, of course, will not be sitting on its hands. The increased cooperation among those four democratic countries is perceived and interpreted in China as part of a US-driven containment strategy towards Beijing. To be sure, China will not passively wait for what it fears is US-Japanese-driven containment to materialise and has its own ideas on how to position itself – possibly with partners – in the Indo-Pacific region. Moreover, at this stage, China is also moving towards the establishment of new strategic stances, with the objective of confronting those challenges, posed by real or imaginary containment policies. From the Chinese perspective, the BRI is therefore not only a massive inter-regional infrastructure project but also an instrument to defend the country from US-driven geopolitical and economic encirclement.

This Report aims to analyse the whole spectrum of geopolitical, strategic, and economic layers that together form the emerging "Indo-Pacific" reality.

To start with, Gurpreet S. Khurana investigates the origins of the “Indo-Pacific” concept. After examining the importance of India’s rise for the subsequent development and definition of the concept, he puts the spotlight on the evolving East Asian geopolitics and geo-economics after the establishment of this new strategic framework.

Sergio Miracola investigates the infrastructural, economic, and trade importance of the new Indo-Pacific area and how – and to what extent – it can be seen as a counter-pole to China’s BRI. His chapter illustrates the major economic and infrastructural projects sponsored by Japan and the US and explains how these two state actors are expanding their diplomatic network in order to check China’s rise. Furthermore, the author analyses China’s strategic counter-response to what it perceives as a US-Japanese-Indian attempt to “encircle” China.

Brad Glosserman devotes specific attention to the new American strategy for the Indo-Pacific. He divides his analysis into three dimensions: economic, infrastructural, and security. Glosserman explains how the US under Donald Trump is planning to transform Obama’s “pivot to Asia” into a more comprehensive and all-encompassing economic and security strategy in the Indo-Pacific region. He illustrates how Washington under Trump is funding new infrastructural projects for the region in order to offer an alternative model to the Chinese Belt and Road Initiative. The so-called “Free and Open Indo-Pacific” (FOIP) strategy, above all endorsed and propagated by Tokyo and Washington, is part of their efforts to present actors inside and outside the region with an alternative to China’s BRI.

India is at the core of Jagannath P. Panda’s analysis. The author points out that the economic and military rise of India is changing Asia’s geopolitical and geostrategic landscape. He gauges the new shifts of Indian foreign policy, especially under Narendra Modi, who has lately boosted Indian regional confidence through the “Act East Policy” (AEP). Particular attention is also given to New Delhi’s Pacific diplomacy towards the Pacific Island Countries (PICs), which are courted by both China and India.

In chapter five, Axel Berkofsky analyses Japanese policies and strategies in and towards the Indo-Pacific. Together with the US, India, and Australia, Tokyo is putting itself in the forefront of hedging against China's BRI, offering like-minded countries and those concerned about being and becoming too dependent on China an alternative model of economic and security co-operation in the Indo-Pacific region. Japan's deep pockets and concerns about Chinese dominance in Asia have led Tokyo under Prime Minister Abe to provide numerous countries in Asia, Central Asia, and Africa – sometimes in conjunction with India and the US – with economic and financial support for what Japan (and the US) refer to as “quality infrastructure”. As the author puts it, Tokyo does all it can to increase its influence and involvement as a reliable and financially well-equipped partner for developing countries in the Indo-Pacific.

The final chapter by John Hemmings deals with Australia's approach and policies towards the Indo-Pacific. The author traces Canberra's progressive involvement in regional dynamics by analysing the binary diplomacy that has marked Australia's foreign policy over the last two decades. Canberra has moved from the previous “US or Asia” to the current “US or China” discourse, in order to keep the US-Australia alliance in place while also trying to benefit from trade and investment ties with Beijing. Among other things, Hemmings analyses Canberra's participation in the major regional projects sponsored mainly by the US and Japan. Australia's foreign and security policies towards the Asia-Pacific and later the Indo-Pacific were shaped by the growing Chinese presence in the Pacific and its ability to influence other and small Asia-Pacific states over which Australia has historically exerted influence. Hemmings concludes his chapter by examining how Canberra has progressively transformed its foreign policy stance, moving from a strong bilateral relationship with the US to broader regional involvement in order to cope with China's rising regional influence.

Are East and Southeast Asia embarking on a road to an overall geopolitical transformation? Is the Indo-Pacific reshaping

regional trade and infrastructural networks? How will China respond at both the geo-economic and strategic levels to what it perceives to be a US-driven policy of encirclement and/or containment? How will the countries involved, such as India and Australia – both of which maintain very close economic, trade, and investment ties with China – react should Beijing choose to retaliate economically to US-driven China containment policies? How is the BRI helping China consolidate its new foreign policy strategy in the Indo-Pacific region?

This Report tries hard to find answers to these and other questions, by identifying the political and economic prospects, challenges, and opportunities of the Indo-Pacific reality.

Paolo Magri
ISPI Executive Vice President and Director

1. What is the Indo-Pacific? The New Geopolitics of the Asia-Centred Rim Land

Gurpreet S. Khurana

Since 2010, the concept of “Indo-Pacific” has gained increasing prevalence in the geopolitical and strategic discourse, and is now being used worldwide by policy-makers, analysts, and academics. The term “Indo-Pacific” combines the Indian and the Pacific oceans into a singular regional construct. However, in geopolitical terms, the two regions are vastly dissimilar in the geo-economics that shape such geopolitics, and even in terms of security environment. If so, is the concept of “Indo-Pacific” a “conceptual aberration”?

This contemporary geopolitical “aberration” did not exist up until to the XVIII century, when the civilisational ethos of India and China started having a profound impact on Asia and beyond, with the two together contributing to more than half of the global Gross Domestic Product (GDP)¹. On such basis, in 1920, a German geopolitician named Karl Haushofer predicted Asia’s resurgence and sought to capture the historical narrative on the concentration of humanity and culture of the Chinese and Indian civilisational entities and their roles on the future power relations in the “Greater Indo-Pacific Ocean”, which he

¹ The global contribution to world’s GDP by major economies from year 1 to 2003 according to Angus Maddison’s estimates. A. Maddison, *Contours of the World Economy 1-2030 AD*, Oxford, Oxford University Press, 2007.

called *Indopazifischer Raum (Indo-Pacific Space)*². Importantly, he covered the era when the two civilisations never had a continental interface (Tibet separated the two), and, therefore, only maritime linkages. Thus, his narrative aptly reflected the reality of that bygone era.

Quite possibly, the contemporary “Indo-Pacific” idea is a reincarnation of the erstwhile spirit in a new form, though with new geopolitical realities. A 2011 report of the Asian Development Bank (ADB), titled “Asia 2050: Realising the Asian Century” states that

Asia is in the middle of a historic transformation [...]. By nearly doubling its share of global gross domestic product (GDP) to 52% by 2050, Asia would regain the dominant economic position it held some 300 years ago, before the industrial revolution³.

Notably, in the past half-century, a number of countries in the entire swath of the Afro-Asian rim land and Australasia have developed more rapidly than the rest of the world and still are. The GDP of the countries in the “maritime underbelly” of Asia is poised to surpass 50% of the global GDP much sooner than what was predicted in a 2011 ADB Report. An analysis undertaken at the New Delhi’s National Maritime Foundation (NMF) indicates that the combined GDP (in PPP terms) of the 36 countries of “maritime Asia” already constitutes 48% of the global GDP (2017). For the 62 Indo-Pacific countries of the Afro-Asian rim land – including Oceania – the proportion is 51.5%. Even more comprehensively, all 74 countries of the entire Indo-Pacific region (including the Americas) contribute to nearly 72% of the global GDP⁴. This indeed makes the “Rise

² K.E. Haushofer, L.A. Tambs, and E.J. Brehm, *An English translation and analysis of Major General Karl Ernst Haushofer’s Geopolitics of the Pacific Ocean: Studies on the relationship between Geography and History*, Lewiston, N.Y., Edwin Mellen Press, 2002.

³ Report of the Asian Development Bank (ADB), “Asia 2050: Realising the Asian Century”, 2011, p. 3.

⁴ Analysis conducted by Ms. Maitreyee Shilpa Kishor and supported/validated by Ms. Sonali Mukherjee, Research Interns, National Maritime Foundation (NMF),

of Indo-Pacific” – rather than the “Rise of Asia” – a more appropriate maxim.

However, as the aforementioned ADB Report says, “Asia’s rise is by no means preordained [...] (and is fraught with) [...] multiple risks and challenges” in the coming years and decades⁵. The process could be disrupted due to various factors and encounters growing challenges, particularly in terms of how to preserve a maritime order rooted in the adherence to established international norms. This led to the imperative of “enormous liveliness brought forth through the union of two free and open oceans”, as articulated by Japanese Prime Minister Shinzo Abe during his August 2017 address in Kenya, which has lately come to be known as the “Free and Open Indo-Pacific Strategy”⁶.

In this context, it is important for the regional countries and other stakeholders in the region to comprehend these new geopolitical realities. Accordingly, this chapter seeks to examine the Indo-Pacific concept in terms of its genesis, drivers, and the geopolitical interests and approaches of some key actors. Based on current trends, the analysis also presents a policy-relevant prognosis on the future relevance of the “Indo-Pacific” concept.

Early Usage of “Indo-Pacific”

Concepts like the “Indo-Pacific” that lead to the creation of new mental maps of how countries view the world are broad and evolve over a considerable period of time. The process is an amalgamation of the thoughts of statesmen, think-tanks, and

New Delhi, September 2018. The data is largely sourced from the World Bank estimates for 2017 (or extrapolations thereof). The analysis does not incorporate the countries like France whose territorial possessions in the Indo-Pacific region are too small to contribute substantially to the national GDP.

⁵ ADB, (2011), pp. 3-4.

⁶ Address by Prime Minister Shinzo Abe at the Opening Session of the Sixth Tokyo International Conference on African Development (TICAD VI), 27 August 2016, Nairobi (Kenya), Ministry of Foreign Affairs of Japan, 27 August 2017, https://www.mofa.go.jp/afr/af2/page4e_000496.html

the academia over many years and decades, and is underpinned by the imperatives of the geopolitical environment.

For long, the vast geopolitical dissimilarity in the countries littoral to the Indian and Pacific oceans translated into the term “Indo-Pacific” being used merely by biographers to denote the commonality and inter-linkages of marine ecosystems in the tropical swath of the Indian and Pacific oceans⁷.

In the geopolitical context, however, the work of Karl Haushofer in 1920 (*Indopazifischer Raum*) was probably the first academic statement on the “Indo-Pacific”. Since then, “Indo-Pacific” was often used in oral discourse, largely in Australia, which was largely premised on Canberra’s two-ocean geo-strategic imperatives. Nonetheless, until the beginning of the XXI century, there was rare, if any, formal academic articulation on the “Indo-Pacific” concept.

In 2005, however, the “Indo-Pacific” concept began to catch on once again. As Rory Medcalf wrote in 2017,

by 2005, there was a breakthrough in the expansion of diplomatic architecture tying Southeast Asian countries with various other powers. This led to the establishment of the so-called East Asia Summit. But from birth, the summit was misnamed. It was in fact an Indo-Pacific institution, an early reflection of the changes in the regional system of economic and strategic links⁸.

In the fall of 2005, noted New Zealander analyst Peter Cozens wrote a paper in the *Maritime Affairs* journal reflecting upon 60 years of maritime developments in the Indo-Pacific region, which he described as a maritime-strategic continuum that “extends from the northern extremities of the Indian Ocean to include [...] South Asia, Southeast Asia, Australasia, the islands of Melanesia, Micronesia and Polynesia, and the eastern countries of Asia”⁹. Dr

⁷ G. Helfman, B. Collette, and D. Facey, *The Diversity of Fishes*, Blackwell Publishing, pp. 274-276, 1997.

⁸ R. Medcalf, “Goodbye Asia-Pacific. But Why the Sudden Buzz over Indo-Pacific?”, *South China Morning Post*, 17 December 2017.

⁹ P. Cozens, “Some Reflections on Maritime Developments in the Indo-Pacific

Cozens' thoughts, having been triggered by the formation of the East Asia Summit (EAS) with its constituent membership stretching eastwards to include India, spoke about the "Indo-Pacific" as representing the "non-Atlantic view of the world"¹⁰, thereby rejuvenating the views of Karl Haushofer in 1920.

Contemporary Revival

In contemporary geopolitics, the "Indo-Pacific" idea began to achieve traction after the speech made by Prime Minister Shinzo Abe before the Indian Parliament in August 2007¹¹. The speech was based on the emerging geo-economic imperatives of the countries of the Asian rim land, notably in terms of the need for enhanced geo-economic connectivity between the Indian and Pacific oceans, shared prosperity, and the attendant need for good order and strategic stability. The idea also necessitated exerting restraining pressures upon the disruptive tendencies of both state and non-state players.

The primal catalyst for the "Indo-Pacific" concept was the growing strategic convergence between India and Japan with regard to the increasing politico-military assertiveness of China. Consequently, Japan sought to enhance the security of its Sea Lines of Communication (SLOCs). India was also wary due to the imminence of Chinese strategic presence in the Indian Ocean, as indicated by the Booz Allen Hamilton report on China's "String of Pearls", which could potentially translate into Chinese military bases in the Indian Ocean¹².

In 2006, in tandem with the enhanced political interactions

During the Past Sixty Years", *Maritime Affairs*, vol. 1, no. 1, Winter 2005, pp. 15-35.

¹⁰ E-mail interview with Dr. Peter Cozens, 20 August 2018.

¹¹ "Confluence of the Two Seas", speech by HE Mr Shinzo Abe, Prime Minister at the Parliament of the Republic of India', Ministry of Foreign Affairs of Japan website, 22 August 2007.

¹² "China builds up strategic sea lanes", *The Washington Times*, 17 January 2005. Also see, G.S. Khurana, "China's 'String of Pearls' in the Indian Ocean and Its Security Implications", *Strategic Analysis*, vol. 32, no. 1, January 2008.

between India and Japan, the think tanks of the two countries also intensified their exchanges. During a 2006 Dialogue between the Indian *Institute for Defence Studies and Analysis* (IDSA) and the *Japan Institute for International Affairs* (JIIA) in New Delhi, the author represented the IDSA as a maritime expert. During the Dialogue, the two sides noted the geo-economic linkage between the Indian Ocean Region (IOR) and the Western Pacific due to the increasing resource dependence of Pacific-Asia on the IOR. A relatively new development was the “security-connect”. For instance, in 2004, the US has launched the Proliferation Security Initiative (PSI) to counter the proliferation of Weapons of Mass Destruction (WMD), which operated across the entire maritime swath from West Asia (Iran and Syria) to Northeast Asia (North Korea).

The Dialogue also focused on China. The Indians and Japanese were especially worried about the latest Chinese Type 093 (*Shang*-class) nuclear attack submarines (SSNs). The first 093 SSN was launched in 2002-2003 and was commissioned in 2006. In addition, the increasing Chinese presence in the Indian Ocean was leading to a fluid balance of power in maritime Asia, raising questions as to how this new balance would affect their respective strategic interests.

The dialogue veered into China’s strategic vulnerabilities. Ironically, these were expressed by the then-Chinese President Hu Jintao in November 2003 through his coinage of the “Malacca Dilemma”, wherein “certain major powers” were bent on controlling the strait¹³. The reference to India was implicit, yet undeniable. The “Indo-Pacific” idea was thus proposed by the author to showcase the Indian Navy’s ability to choke China’s jugular, and thereby dissuade its growing assertiveness. This led to the publication of his January 2007 paper titled “*Security of Sea Lines: Prospects for India-Japan Cooperation*” in the IDSA’s *Strategic Analyses* journal¹⁴. The paper began by in-

¹³ I. Storey, “China’s Malacca Dilemma”, *China Brief*, The Jamestown Foundation, vol. 6, no. 8, 12 April 2006.

¹⁴ G.S. Khurana, “Security of Sea Lines: Prospects for India-Japan Cooperation”,

roducing the Indo-Pacific concept and its geographical boundaries and stated that “[...] (although) the threats to SLOCs due to military conflicts have receded globally [...] exceptions, nonetheless, persist in the Indo-Pacific region”. It sought to highlight the vulnerability of Japan’s SLOCs, with the aim of sending a subtle message to China: given the Indian Navy’s focus on SLOC-security and the “measures [that it has taken to] facilitate the monitoring of mercantile traffic in the Indian Ocean”¹⁵, China’s own SLOCs could be targeted if the country continued to assert its politico-military power. Thus, China should reconsider its approach.

A few months later, in August 2007, Japanese Prime Minister Shinzo Abe visited India and addressed the Indian Parliament. Drawing from the message by Swami Vivekananda (the Indian spiritual leader of the XIX century), *The different streams, having their sources in different places, all mingle their water in the sea*, and from the 1655 book by the Mughal prince Dara Shikoh titled, “Confluence of the Two Seas”, he proposed the formation of “the Arc of Freedom and Prosperity” in “the broader Asia”, comprising “an immense network, incorporating the United States of America and Australia”, and enabled by a “Strategic Global Partnership of Japan and India” located at the bookends of the Indo-Pacific region. He added that “[o]pen and transparent, this network will allow people, goods, capital, and knowledge to flow freely [because], as maritime states, *both India and Japan have vital interests in the security of sea lanes* (emphasis added)”¹⁶. Abe was giving the strategic rationale for “a close partnership between India and Japan [...] in the wider context of Asia”¹⁷.

Strategic Analysis, vol. 31, no. 1, January/February 2007, pp. 139 and 144.

¹⁵ *Ibid.*, p. 145

¹⁶ “[Confluence of the Two Seas](#)”..., cit.

¹⁷ Talk by Dr. Arvind Gupta, Director, Vivekananda International Foundation, New Delhi, on “[India Needs a Proactive Approach to the Indo-Pacific](#)”, Society of Indian Ocean Studies, 31 July 2018, Vivekananda International Foundation (VIF), 9 August 2018.

Thereon, the term “Indo-Pacific” caught on in the strategic discourse worldwide. One of the earliest of these references was carried in Robert Kaplan’s 2010 book *Monsoon*, wherein he demonstrates the criticality of the Indian Ocean for the future of US power in the XIX century geopolitics of the Indo-Pacific continuum¹⁸. Later that year, then-US Secretary of State Hillary Clinton spoke about “expanding our work with the Indian Navy in the Pacific, because we understand how important the Indo-Pacific basin is to global trade and commerce”¹⁹. Notably, while much of her speech maintained the reference to “Asia-Pacific”, the term “Indo-Pacific” was used only in reference to naval cooperation with India. In 2012, noted Australian analyst Rory Medcalf wrote that he was convinced that “Indo-Pacific” was “a term whose time has come”²⁰.

The Inadequacy of the “Asia-Pacific” Concept

The “Indo-Pacific” concept acknowledges the importance of the IOR in Asia’s geopolitical and security construct, and thereby enables a more holistic comprehension and analyses in comparison to the term “Asia-Pacific,” wherein the IOR was never included, at least not explicitly. As D. Gnanagurunathan writes,

Japan and Australia promoted the term “Asia Pacific” in the 1970s and 1980s to draw them closer to the United States and the economically burgeoning East Asia. India was far, geographically, from the region, and politically, economically and strategically remained uninvolved for inherent reasons²¹.

¹⁸ R.D. Kaplan. *Monsoon: The Indian Ocean and the Future of American Power*, Random House, October 2010.

¹⁹ Remarks by Hillary Rodham Clinton, Secretary of State, “[America’s Engagement in the Asia-Pacific](#)”, US Department of State, 28 October 2010.

²⁰ R. Medcalf, “[A Term Whose Time Has Come: The Indo-Pacific](#)”, *The Diplomat*, 4 December 2012.

²¹ D. Gnanagurunathan (Indian Council for World Affairs, New Delhi), “[India and the idea of the ‘Indo-Pacific’](#)”, *East Asia Forum*, 20 October 2012.

The “India” Factor

The coinage of “Indo-Pacific” has much to do with the increased eminence of India at the turn of the XIX century. In 2006, Donald Berlin wrote that the “rise of India” is itself a key factor in the increasing significance of the Indian Ocean²². India could no longer be excluded from any geopolitical or security reckoning in the Asia-Pacific. For example, India was an obvious choice for inclusion in the ASEAN²³ Regional Forum in 1996 and the EAS in 2005. Even for the PSI (2004), then-US President Bush sought to enrol India as a key participant. However, while located in the area of responsibility of the US Pacific Command (PACOM) – now renamed Indo-Pacific Command (INDOPACOM) – to many analysts, India never belonged to the Asia-Pacific. During the 2009 Shangri-La Dialogue in Singapore, India’s former naval chief Admiral Arun Prakash highlighted this contradiction, saying,

I am not quite sure about the origin of the term Asia-Pacific, but I presume it was coined to include America in this part of the world, which is perfectly all right. As an Indian, every time I hear the term Asia-Pacific I feel a sense of exclusion, because it seems to include Northeast Asia, Southeast Asia and the Pacific islands, and it terminates at the Melaka Straits, but there is a whole world west of the Melaka Straits [...]. [S]o my question to the distinguished panel is [...] do you see a contradiction between the terms Asia-Pacific, Asia and the Indian Ocean region?

The “Indo-Pacific” concept helped to overcome this dilemma by incorporating “India” in the affairs of “maritime-Asia”, even though the “Indo-“ in the compound word “Indo-Pacific” stands for “Indian Ocean”, and not “India”.

A national geo-strategy cannot be formulated without factoring in ‘geographical’ realities, and a nation’s geography is

²² D.L Berlin, “India in the Indian Ocean”, *Naval War College Review*, vol. 59, no. 2, Spring 2006.

²³ Association for South East Asian Nations (ASEAN).

never perfect. One cannot alter geography but can modify its geo-strategic orientation, which India attempted nearly three decades ago through its 1991 Look East Policy. However, India was not too proactive in its pursuit of the Policy. In 2006–2007, the Indo-Pacific concept was also a subconscious effort to give wind to India’s languishing easterly geo-strategic reorientation, which later gained strength in 2014 through Prime Minister Narendra Modi’s “Act East” articulation. India’s strategic rationale was largely driven by its geo-economic objectives. Towards this end, New Delhi sought to ensure a benign environment in its extended maritime neighbourhood, but that was not all. India also sought to stretch its “geostrategic frontiers”²⁴ eastwards to reinforce “strategic deterrence”²⁵ against China.

This led to New Delhi’s strategic convergence with the US, which was more than willing to support New Delhi. During her visit to Perth, Australia, in November 2012, then-US Secretary of State Hillary Clinton lauded India as “an important player in the Indo-Pacific region” that should play a larger role in the region’s affairs. She applauded the upswing in Australia’s bilateral ties with the “world’s largest democracy”, India, and encouraged Canberra to strengthen its military cooperation with New Delhi²⁶.

²⁴ The “Geostrategic Frontier” encloses a geographical area beyond the sovereign territory wherein a country must be able to influence events for assuring and insuring its national security, including against traditional military threats. It is a very critical area, since it also provides strategic depth to the country. See G.S. Khurana, “High End in the Pacific: Envisioning the Upper Limits of India-US Naval Cooperation in Pacific-Asia”, *Journal of Defence Studies (JDS)*, vol. 11, no. 4, October/December 2017, pp. 54–56.

²⁵ The concept must not be confused with “nuclear deterrence”. It operates at the national-strategic level and includes nuclear deterrence. The effort to develop strategic deterrence seeks to synergise and leverage all elements of national power – diplomatic, economic, informational, and military – as well as the nation’s global influence. G.S. Khurana, *Porthole: Geopolitical, Strategic and Maritime Terms and Concepts*, New Delhi, Pentagon Press, 2016, p. 186.

²⁶ “Hillary Clinton lauds India’s role in Indo-Pacific region, urges for increased participation”, *India Today*, 14 November 2012.

During his address at the 2018 Shangri-La Dialogue, Indian Prime Minister Narendra Modi indicated the geographical swath of New Delhi's conceptualisation of the Indo-Pacific as stretching from Africa to the Americas. He emphasised a few key facets reflecting New Delhi's policy perspective on Indo-Pacific, which included "inclusiveness," "openness," "ASEAN centrality", and the fact that the concept was not directed against any country²⁷. These are indicative of the Prime Minister's policy guidance that "strategic deterrence" needs to be reinforced in tandem with more "gentle" persuasive and dissuasive pressures upon China.

Interests and Approaches of Other Key Players

Australia

For a long time, Australia has perceived itself as geo-strategically placed in the Indo-Pacific continuum. As soon as the concept began to gain importance, the Australian government made haste to articulate it in its May 2013 Defence White Paper, which became the first-ever "official and formal" statement on the "Indo-Pacific" in the contemporary times. The White Paper notes two key contributing factors in the emergence of the concept: first, the emergence of India "as an important strategic, diplomatic and economic actor, 'looking East', and becoming more engaged in regional frameworks"; and second, the "growing trade, investment and energy flows across this broader region (that) are strengthening economic and security interdependencies [...] [with both factors] increasingly attracting international attention to the Indian Ocean"²⁸.

²⁷ *Prime Minister's Keynote Address at Shangri La Dialogue*, 1 June 2018, Ministry of External Affairs, Government of India.

²⁸ Australian Government (Department of Defence), *Defending Australia and its National Interests*, Defence White Paper 2013, p. 7.

Commenting on the White Paper, Rory Medcalf endorsed India's centrality in the Indo-Pacific construct stating that *Australia's new defence policy recognises India's eastward orientation*²⁹. The Australian point of view is also reflected in the writing of renowned Australian analyst David Brewster³⁰. Interestingly, however, like Japan, Australia has envisioned a "free and open Pacific", but Canberra's geo-strategic conceptualisation does not encompass Japan.

Indonesia

The geographical centrality of Indonesia in the Indo-Pacific continuum holds much geopolitical significance for the country. This led President Jokowi to embrace the new concept with much optimism. In his address at the 9th EAS Summit in Myanmar in November 2014, he stressed on maritime cooperation with Indonesia being the "*Porus Maritime Dunia* (Global Maritime Fulcrum) [...] in determining the future of the Pacific and Indian Ocean regions (the Pacific and Indian Ocean Region - PACINDO)"³¹. In May 2013, Indonesian Foreign Minister Marty Natelegawa, highlighting the fact that it was indeed Jakarta's initiative to include Australia and India in the EAS, went even further to the extent of proposing an "Indo-Pacific wide Treaty of Friendship and Cooperation", which would further strengthen the EAS³².

While Indonesia could potentially play a key role in the larger geopolitics of the Indo-Pacific, the military-strategic significance of its geographical location and disposition cannot be ignored. As an archipelagic state overlooking the four key maritime

²⁹ R. Medcalf, "The Indo-Pacific Pivot", *The Indian Express*, 10 May 2013.

³⁰ D. Brewster, "A 'Free and Open Indo-Pacific' and what it means for Australia", *The Interpreter*, Lowry Institute, 7 March 2018.

³¹ "Presiden Jokowi Deklarasikan Indonesia Saebagai Poros Maritim Dunis" (Bhasa Indonesia language for "President Jokowi Declares Indonesia as a World Maritime Axis"), Ministry of Foreign Affairs of the Republic of Indonesia, 15 November 2014.

³² *Ibid.*

choke-points, it virtually controls strategic commodities and military communications between the Indian and the Pacific oceans.

United States

Between 2009-2010, the US began to realise the inadequacy of the “Asia-Pacific” to meet its geopolitical objectives in Asia. Ostensibly, the key reason was China’s expanding military-strategic footprint in the Indian Ocean, beginning with its anti-piracy mission in the Gulf of Aden launched in December 2008³³. This led the US to seek India’s proactive role in the pan-Asian security architecture, as evidenced by the statement made by the US Secretary of Defence Robert Gates in his address at the 2009 Shangri-La Dialogue. He said that the US looked to India to be a partner and “net provider of security in the Indian Ocean and beyond”³⁴. In 2010, as mentioned earlier, the US officially recognised “Indo-Pacific” for the first time through the address by then-US Secretary of State Hillary Clinton³⁵.

However, until 2011, the US conceptualisation remained confined to the “Asia-Pacific”, which, unfortunately for Washington, was tied to President Obama’s “Rebalance to Asia”. As Evan Feigenbaum writes,

For Washington, the problem is at once intellectual, strategic, and bureaucratic. Intellectually, the United States still has three separate foreign policies in Asia one for East Asia, another for South Asia, and a third for Central Asia [...]. As Asia reintegrates, then, the United States is too often stuck in an outdated mode of thinking³⁶.

³³ Foreign Ministry Spokesperson Liu Jianchao’s Regular Press Conference on 18 December 2008, Permanent Mission of the People’s Republic of China to the UN website, 19 December 2008, at <http://www.china-un.org/eng/fyrth/t526955.htm>

³⁴ “Shangri-La Dialogue: Gates says watershed in Indo-US relations”, domain-B, 30 May 2009.

³⁵ Remarks by Hillary Rodham Clinton, US Secretary of State, “America’s Engagement in the Asia-Pacific”..., cit.

³⁶ E.A. Feigenbaum, “Why America No Longer Gets Asia”, *The Washington*

The US geostrategic reorientation began in 2012, leading to the dilation of the “Asia-Pacific” formulation to “Indo-Asia Pacific”. In his 2013 posture report to Congress, Admiral Samuel Locklear, the US PACOM Commander, referred to his area of responsibility as the “Indo-Asia-Pacific”. As Rear Admiral Michael McDevitt explains,

Indo-Asia-Pacific was necessary to make sure that India was “connected” to a traditional Asia-Pacific policy orientation, and the U.S. government’s military, policy, and diplomatic policy organs were better oriented to adapt to the contours of a more integrated Asia, to become more effective in helping manage US interests in the region’s future³⁷.

During his Asia tour in November 2017, however, President Trump further altered the “Indo-Asia-Pacific” formulation to “Indo-Pacific”, making repeated mentions of the newer term and contextualising it with the “partnership” with India, which was expected to play a more active security role. It led the media, strategists, and policy-makers worldwide scrambling, trying to delve deeper into his intent and the ramifications of his actions³⁸. Analysts claimed that President Trump had implied a new “alliance”³⁹. Whether or not it was a reincarnation of Obama’s “Rebalance to Asia”, the tone and tenor indicated a desire for an anti-China partnership, thereby polarising the “Indo-Pacific” region and distorting the original “Indo-Pacific” idea, which, in the author’s view, was not constructive. This led

Quarterly, Center for Strategic and International Studies, Spring 2011, vol. 34, no. 2, pp. 25-43, cit. pp. 26-27.

³⁷ E-mail interview with Rear Admiral McDevitt on 18 August 2018. Rear Admiral McDevitt, USN (Retd.) is the founder of the Strategic Studies Division of the US Center for Naval Analyses (CNA).

³⁸ “Why Trump keeps saying Indo-Pacific”, *BBC News*, 9 November 2017; and D. Dodwell, “No one is commenting on this ‘big idea’ Trump put forward at Apec”, *South China Morning Post*, 12 November 2017.

³⁹ C. Shepherd and S. Miglani, “Indo-Pacific? Not from where China is sitting..”, Reuters, 10 November 2017.

to his op-ed in the *Washington Post* titled “Trump’s new Cold War alliance in Asia is dangerous”⁴⁰. The write-up expressed concerns that the original “Indo-Pacific” idea had drifted away from the original “constructive” India-Japan proposition of a geopolitical amalgamation of the Indo-Pacific towards regional stability.

Within days from President Trump’s ‘Indo-Pacific’ articulation, Australia, India, Japan, and the US held their first joint-secretary level meeting of the “Quadrilateral Dialogue” (Quad)⁴¹. This may have been timed to enhance the pressure on Beijing, but contributed further to constricting the strategic options of the regional countries.

The Association of South East Asian Nations (ASEAN)

Consequent to the US President’s articulation of the “Indo-Pacific” idea, and its temporal coincidence with the revival of the Quad, the Association of South East Asian Nations (ASEAN) as a whole has been averse to it. From ASEAN’s perspective, this will force smaller countries to take sides, leading to a weakening of the ASEAN. Some key ASEAN countries like Vietnam⁴², Indonesia, and Singapore, driven by their respective national interests, are already “on board” on the Indo-Pacific construct. This is amply indicative of the lingering fault-lines in the ASEAN. This led the US to go into damage-control mode. To assuage the ASEAN, during the ASEAN+ Foreign Ministers’ meeting in August 2018, US Secretary of State Mike Pompeo emphasised that the ASEAN countries would be central to Washington’s Indo-Pacific strategy⁴³.

⁴⁰ G.S. Khurana, “Trump’s new Cold War alliance in Asia is dangerous”, *The Washington Post*, 14 November 2017.

⁴¹ K. Bhattacharjee, “India, Japan, U.S., Australia hold first ‘Quad’ talks at Manila ahead of ASEA Summit”, *The Hindu*, 12 November 2017.

⁴² D. Grossman, “Why March 2018 Was an Active Month in Vietnam’s Balancing Against China in the South China Sea”, *The Diplomat*, 23 March 2018,

⁴³ Z. Hussain, “US remains committed to Asean centrality, Mike Pompeo tells foreign ministers”, *The Straits Times*, 3 August 2018.

The European Union

The reaction of the European Union has been similar to that of the ASEAN, though its focus has been on the Quad. From the EU's perspective (as one German analyst puts it), "[a] strategic alignment of the Indo-Pacific 'Quad' is tempting (but) involves a quasi-military alliance, which would run counter to the EU's approach of strengthening regional solutions and cooperation"⁴⁴. Therefore, the concurrent launch of the Quad has aggravated the polarisation of the region. However, unlike some ASEAN countries, some major European powers like France and the UK are more amenable to strategic partnerships in the region under the rubric of the "Indo-Pacific".

China

China was silently circumspect about the "Indo-Pacific" idea since it was first noted by Beijing in 2012. In October 2012, Australian writers Nick Bisley and Andrew Phillips remarked,

[...] Viewed from Beijing, the idea of the Indo-Pacific [...] appears to be to keep the US in, lift India up, and keep China out of the Indian Ocean [...]. The Indo-Pac concept has [therefore] [...] received a frosty reception in China⁴⁵.

A year later, in 2013, Chinese analysts prodded Beijing to integrate within the "Indo-Pacific" to secure its own national interests. In June 2013, for instance, Minghao Zhao wrote,

[A] power game of great significance has unfolded in Indo-Pacific Asia. The US, India, Japan and other players are seeking to collaborate to build an "Indo-Pacific order" that is congenial to their long-term interests. China is not necessarily excluded from this project, and it should seek a seat at the table and help

⁴⁴ M.A. Kuo, "What the EU Thinks of the US 'Indo-Pacific' Strategy", *The Diplomat*, 31 January 2018.

⁴⁵ N. Bisley and A. Phillips, "The Indo-Pacific: what does it actually mean?", *East Asia Forum*, 6 October 2012.

recast the strategic objectives and interaction norms (in China's favour)⁴⁶.

However, other Chinese analysts had opposite views. For instance, Zhao Zebian set forth his analysis of the "Indo-Pacific" concept in Mandarin Chinese: when translated into English, it reads "Indo-Pacific' concept and its implications for China". The analysis avers that the new concept "lifts India up" to the detriment of China⁴⁷.

In December 2014 (six months after the Modi-led government assumed power in India), the Chinese newspaper *People's Daily* ran an exercise in strategic communications. The write-up said that,

Mr. Modi wants a peaceful and stable periphery that will allow him to concentrate on domestic economic structural reform and infrastructure building [...]. The Indian government and scholars have not endorsed the Indo-Pacific geo-strategy scripted by the United States and Japan to use India with the aim to balance and even contain China's increasing influence in the Asia-Pacific region and the Indian Ocean⁴⁸.

The concern among Chinese analysts rose palpably after President Trump's "Indo-Pacific" articulation in November 2017. The *People's Daily* analysed this as a reincarnation of the US "rebalance to Asia" strategy to "restrict China and weaken its influence in Asia-Pacific", wherein India would be the strategic "pillar". The analysis also alluded to the Quad, saying that,

⁴⁶ M. Zhao, "The Emerging Strategic Triangle in Indo-Pacific Asia", *The Diplomat*, 4 June 2013.

⁴⁷ Zhao Qinghai Zebian, "印太"概念及其对中国的含义 ("Indo-Pacific" concept and its implications for China), Contemporary International Relations, China Institute for International Studies (CIIS), 31 July 2013.

⁴⁸ A. Aneja, "China invites India for Indo-Pacific partnership", *The Hindu*, 5 December 2014.

the US is actively promoting India's "Act East policy" policy, which is deeply integrated with the "Indo-Pacific" strategy of the US and Japan, and gradually forms the Asian security architecture dominated by the United States, India, Japan, and Australia⁴⁹.

In March 2018, China's Foreign Minister Wang Yi dismissed the "Indo-Pacific" as "an attention-grabbing idea" that would "dissipate like ocean foam"⁵⁰. Interestingly, however, Chinese thinking seems to have undergone a major transformation since then, turning "adversity" into "opportunity". As the Chinese saying goes, "It doesn't matter whether a cat is black or white, as long as it catches mice"⁵¹. Accordingly, Beijing has capitalised upon the Indo-Pacific concept by reinforcing its geopolitical connections with the IOR countries. Chinese academic literature has been referring to China's Maritime Silk Road (MSR) initiative as "Indo-Pacific with Chinese characteristics". The MSR is coupled by a government approval for Hainan Free Trade Zone and Port, which is being seen by Chinese analysts as the "Indo-Pacific gateway"⁵². Indirectly, the Indo-Pacific concept has also enhanced the legitimacy of the Chinese military presence in the Indian Ocean. In sum, the key countries endorsing the Indo-Pacific concept – Australia, India, Japan, and the US are thereby victims of their own conceptualisations.

⁴⁹ “不谈‘亚太’谈‘印太’ 特朗普访华前在暗示什么” (“Don't talk about 'Asia-Pacific' and talk about 'Indo-Pacific': What is hinted before Trump's visit to China?”), *People's Daily Overseas Edition*, 6 November 2017.

⁵⁰ D.K. Emmerson, “In Search for the Real Indo-Pacific”, *YaleGlobal Online*, 14 June 2018.

⁵¹ Speech by Deng Xiaoping at the Communist Youth League conference, 7 July 1962, *China Daily*, Updated 20 August 2014.

⁵² Xu Shaomin, “Geography is not destiny: Rise of Indo-Pacific”, *The Global Times*, 21 November 2017.

Conclusions

Undeniably, China has been the key actor in the contemporary revival of the “Indo-Pacific” concept about a decade ago. However, there lies a nuanced – albeit important – difference between the original conceptualisation of “Indo-Pacific” in 2006-07, and the current one envisioned by President Trump. In the mid-2000s, China’s increasingly assertive behaviour was causing anxieties both in India and Japan. For the Japanese, the “Indo-Pacific” provided a notional assurance from India as an emerging power in the wider “maritime” Asia. On the other hand, India was seeking Japan’s help to make its own strategic assessments on China. Also, following futile efforts by New Delhi to persuade Beijing to adopt a conciliatory approach, India was compelled to scale up its outreach to Japan in order to moderate China’s behaviour through “dissuasion”. In contrast, President Trump’s re-interpretation of the “Indo-Pacific” construct amounts to partnering with India to create a China-specific alliance, and its temporal coincidence with the revival of the “Quad”⁵³ is not very helpful for shaping a benign and stable environment in the wider region.

Notwithstanding the above, as trends indicate, the Indo-Pacific concept is likely to increasingly gain acceptance, even while differences persist among the key players in terms of their respective geostrategic interests and the attendant interpretations of its geographical scope. However, the effectiveness of “Indo-Pacific” in meeting its original objective of freedom and prosperity will depend much on how the regional structure is fleshed out at the political level and on functional cooperation among the key stakeholders, including the regional countries. Towards this end, the stakeholders will need to factor in four key imperatives.

⁵³ A. Panda, “US, Japan, India, and Australia Hold Working-Level Quadrilateral Meeting on Regional Cooperation: The ‘Quad’ is back”, *The Diplomat*, 13 November 2017.

First, even though ASEAN centrality is valuable for Indo-Pacific multilateralism, and should be upheld, the lead role of EAS would need to be supplemented by the Quad.

Second, while moderating the behaviour of China remains a “way-point” to the overarching objective of “Indo-Pacific”, the cooperative endeavours would need to avoid military focus and exclusivity.

Third, the emphasis would need to be laid on geo-economics, maritime safety, and good order at sea, including freedom of navigation.

Fourth, China is winning the game of regional influence *vis-à-vis* the United States. This is unhelpful for a stable balance of power in the region, and thus necessitates a more proactive role of the other regional powers like Australia, India, and Japan.

2. The Indo-Pacific As a New Infrastructural and Economic-Trade Area: A Real Competitor to BRI?

Sergio Miracola

The American President Donald Trump announced – during his first Asia tour in November 2017 – that it was now time to think about the Indo-Pacific strategy. This has inevitably reshaped the existing Asia-Pacific strategy, which had characterised the American geopolitical approach until that time. This shift increases the chances of recreating what is now known as the “Quadrilateral Dialogue” (Quad), an alliance which comprises the US, India, Japan, and Australia.

At the strategic level, the Indo-Pacific is America’s attempt to check on China’s rise and geopolitical expansion. In doing so, the crucial role for the US strategic vision would be played by India, as New Delhi is becoming more assertive towards the other regional players. The other state actors involved, such as Japan and Australia, are expected to further expand Washington’s strategic vision. At this stage, the military component would exert an important role, since all the actors involved, including China, are progressively increasing their military development.

However, the new American strategic design does not only comprise the military dimension. The new Indo-Pacific strategic concept also has an infrastructural and trade dimension. This is conceived as a means to check on China’s growth also at the commercial and infrastructural level. The Chinese Belt and Road Initiative (BRI), in fact, is becoming Beijing’s tool for its

geo-economic aggrandisement, and this is contributing to alter the strategic relations between the different regional actors.

China, which is deeply involved in the region, above all through the BRI, is now thinking about how to respond at the strategic level, even if it is still early to draw conclusions about what China's Indo-Pacific strategy really encompasses, also due to the fact that the new American strategic vision for the Indo-Pacific is yet to be fully implemented. Based on these premises, this chapter will first of all describe the fundamental elements characterising the Indo-Pacific, its infrastructural, trade, and security elements. Secondly, it will discuss China's overall geopolitical strategy for the Indo-Pacific, that is, Beijing's geo-economic strategy for the area. This section will inevitably intertwine with the current BRI and how it is fulfilling China's economic and trade objectives. Finally, the third section would look at the security dimension and at how China is trying to respond militarily for the consolidation of its foreign presence and its geopolitical expansion.

The Indo-Pacific As a New Strategic Framework

The American government under the presidency of Donald Trump has started to change the logic of the US involvement in the Asian region, which has now moved from the Asia-Pacific to the Indo-Pacific. The underpinning feature characterising both strategic logics remained the same: the containment of China. However, the shift in focus towards the Indo-Pacific also changed the implied method to reach that objective. While the Asia-Pacific's overall aim was to implement a containment of China by relying on the use of the sea and the historic American allies, the new Indo-Pacific strategic framework, apart from including new state actors such as Australia and India, tries to contain China through more sophisticated means, such as regional infrastructure and economic development. At the same time, the Indo-Pacific, as it is conceived, would create an overarching strategic partnership able to control China's rise both on land and at sea.

According to this specific context, the US is trying to push forward a new investment plan for the region, which could directly compete with a Chinese investment plan. However, the initial objective of this economic scheme is not aiming at building infrastructures, but to invest directly into those countries that desperately need funds in order to develop domestically. In so doing, the US has set forward a four-pronged strategy, which comprises “funding, mobilising private capital, cooperation among financiers, and an emphasis on high standards”¹.

The first section of this strategy – funding – is now getting more traction, even if the amount of money to be invested is far away from what China has been pumping into its Belt and Road Initiative. At the end of July 2018, US Secretary of State Mike Pompeo announced that the US could invest US\$113 million into the Indo-Pacific countries. However, this funding “appears primarily intended to provide technical support to help governments develop and manage their own investments, particularly by attracting private capital”².

The second segment – mobilising private capital – represents the American overall idea to establish new private funding corporations, such as the willingness to transform the existing Overseas Private Investment Corporation into a new International Development Finance Corporation “with modernised financing capabilities, including a doubling of its contingent liability ceiling to US\$60 billion”. To reach this objective, the US government issued in February 2018 the BUILD Act, whose main function is to invest money into Indo-Pacific countries in order to spread US influence so as to incentivise them to see the US as a potential alternative to the Chinese new infrastructure plan of the Belt and Road Initiative.

The third section of the American Indo-Pacific strategy aims to create new forms of cooperation among the financiers. Through this line of reasoning, the US established a new

¹ R. Rajah, “An Emerging Indo-Pacific Infrastructure Strategy”, *Loyyinstitute.Org*, last modified 2018.

² *Ibid.*

trilateral framework between the US, Australia, and Japan, where Canberra and Tokyo might be willing to participate at the financial level for the infrastructural development of the Indo-Pacific. On 30 July 2018, for example, the three countries issued a joint statement, clearly stating the objectives for the Indo-Pacific:

The United States, Japan, and Australia have formed a trilateral partnership to mobilise investment in projects that drive economic growth, create opportunities, and foster a free, open, inclusive and prosperous Indo-Pacific. We share the belief that good investments stem from transparency, open competition, sustainability, adhering to robust global standards, employing the local workforce, and avoiding unsustainable debt burdens. We will uphold these principles as we mobilise investment in infrastructure, such as energy, transportation, tourism, and technology that will help stabilise economies, enhance connectivity, and provide lasting benefits throughout the region. To deepen this trilateral partnership, we are currently developing a framework for cooperation. OPIC [Overseas Private Investment Corporation] is also placing a representative in the U.S. Embassy in Tokyo, Japan. As we look to the future, this partnership represents our commitment to an Indo-Pacific region that is free, open and prosperous. By working together, we can attract more private capital to achieve greater results³.

According to this new strategic logic, since 2016 Japan has set up a new project, called “quality infrastructure investment” initiative. The idea is to increase the level of funding for the creation of specific infrastructures in the Indo-Pacific area, which reflect a high quality level. This is because, according to the Japanese plan, “quality infrastructure form [sic] the foundations of a nation’s economic growth”, while “strengthening the connectivity between nations and regions [represents the] fountains of world economic growth”⁴.

³ “Australia, US And Japan Announce Trilateral Partnership For Infrastructure Investment In The Indo-Pacific”, Department of Foreign Affairs and Trade, last modified 2018.

⁴ K. Sonoura, “Japan’s Initiatives For Promoting ‘Quality Infrastructure Investment’”, 2017.

During the last G7 summit held in Ise-Shima in 2016, the Japanese government issued five principles for its Quality Infrastructure Investment initiative⁵. This Japanese initiative is becoming a reality in at least four major infrastructural projects: the first one is in Kenya and it concerns the Mombasa Port development project. The second one concerns the Mumbai – Ahmedabad High-Speed Railway in India. The third project refers to the Thilawa Special Economic Zone in Myanmar. Finally, the fourth project concerns the creation of a power grid in Tanzania⁶.

The fourth characteristic of the American strategy is to emphasise the “high standards” of its funding, with respect to the Chinese one, labelled as poor-quality investment and as a debt trap, as it is happening for Pakistan and Sri Lanka, that is, poor countries that granted China control of their ports for an extended time in exchange for money. Within the overall American strategy, “high standards, by contrast, is intended to mean better-built projects, transparency, competitive tendering, strong environmental and social safeguards, and, most importantly, economic sustainability”⁷.

Besides the American strategic guidelines for the Indo-Pacific, the ongoing Japanese infrastructural programs, Indian new assertiveness in the area, and Australia increasing its regional involvement, the state actors involved are also starting significant bilateral relations, which would definitely pave the way, in the longer term, for the quadrilateral strategic setting known as the

⁵ “G7 Ise-Shima Principles For Promoting Quality Infrastructure Investment”, Mofa.Go.Jp, 2016. The five principles are: 1) “Ensuring effective governance, reliable operation and economic efficiency in view of life-cycle cost as well as safety and resilience against natural disaster, terrorism and cyber-attack risks. 2) Ensuring job creation, capacity building and transfer of expertise and know-how for local communities. 3) Addressing social and environmental impacts. 4) Ensuring alignment with economic and development strategies including aspect of climate change and environment at the national and regional levels. 5) Enhancing effective resource mobilisation including through PPP.

⁶ K. Sonoura (2017).

⁷ R. Rajah (2018).

Quad. However, before the Quad could take its final shape, there have been significant diplomatic developments between these different state actors. Two deserve particular attention: those between the US and India and between India and Japan.

As regards Washington-New Delhi relations, the Trump administration's new Indo-Pacific strategy – first announced in November 2017 and then implemented into the December 2017 National Security Strategy⁸ – follows the roots of the previous American strategy, specifically the one former US President Obama put forward in 2015 – the US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region⁹. The Joint Strategic Vision emphasised the importance of connectivity both at the political and infrastructural level and implicitly argued in favour of a more committed containment of China:

To support regional economic integration, we will promote accelerated infrastructure connectivity and economic development in a manner that links South, Southeast and Central Asia, including by enhancing energy transmission and encouraging free trade and greater people-to-people linkages. Regional prosperity depends on security. We affirm the importance of safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region, especially in the South China Sea. We call on all parties to avoid the threat or use of force and pursue resolution of territorial and maritime disputes through all peaceful means, in accordance with universally recognised principles of international law, including the United Nations Convention on the Law of the Sea¹⁰.

Since 2015, in fact, the US and India “conducted more conventional military exercises with each other than either of them conducts with any other country”. This is because, in recent

⁸ “National Security Strategy of The United States Of America”, Whitehouse. Gov, pp. 45-47, 2017.

⁹ A. Ayres, “The U.S. Indo-Pacific Strategy Needs More Indian Ocean”, Council On Foreign Relations, 2018.

¹⁰ “U.S.-India Joint Strategic Vision for The Asia-Pacific and Indian Ocean Region”, Whitehouse.Gov, 2015.

years, there has been a progressive convergence between India's "Act East" policy and the US "rebalance" to Asia¹¹.

The same also applies to the new National Security Strategy, which highlights, at the economic level, the importance of "free and open seaways, transparent infrastructure financing practices, unimpeded commerce, and the peaceful resolution of disputes". In order to reach these objectives, the new American document also emphasised the growing security ties with India and the importance of strengthening other relevant regional organisations such as the ASEAN and the APEC, which "remain centrepieces of the Indo-Pacific's regional architecture and platforms for promoting an order based on freedom"¹².

In order to increase the diplomatic and security ties with India, the United States should also take into account "India's sense of the region [which] includes the larger maritime space to its west"¹³. In fact, together with South Africa, in 1997 New Delhi created the Indian Ocean Rim Association (IORA), "a mini-lateral organisation [...] to better institutionalise consultation across this poorly linked area"¹⁴.

Among the other state actors involved in the creation of the Quad, only Australia has an active role within the IORA, while Japan and the US are only Dialogue Partners. At the same time, the IORA's area of interest overlaps with the BRI project, a clear indication that India's and China's strategic visions might soon end up colliding.

The other diplomatic relationship worth mentioning in this context is the one between India and Japan. After significant anti-Japanese demonstrations took place in China in 2005, two year later the government adopted a new "China plus one" strategy, in order to reduce its economic dependence on China

¹¹ M. Pardesi, "Evolution of India-Japan Ties: Prospects and Limitations", in R. Basrur and S. Kuttayed (eds.), *India And Japan. Assessing The Strategic Partnership*, Singapore, Palgrave Mcmillan, 2018, p. 33.

¹² "National Security Strategy Of The United States Of America"..., cit.

¹³ A. Ayres (2018).

¹⁴ Ibid.

while contemporarily expanding investment opportunities¹⁵.

The idea to connect more deeply with India was confirmed in the same year, when the Japanese government suggested to link Japan to the Indian Ocean. Prime Minister Shinzo Abe proposed at the time this idea to the Indian Parliament. By referring to a book written in 1655, which enthusiastically embraced the idea of connecting the Indian continent with East Asia, Abe emphasised the geopolitical importance of the “confluence of the two seas”¹⁶.

The new foreign policy course of action is also related to relevant domestic changes, such as the attempt to modify the pacifist article 9 of the Constitution in order to transform Japan’s current Self-Defence Forces into ‘ordinary’ armed forces. As Abe stated in 2012, according to Japan’s historic role in the Pacific Ocean, it is now crucial to make sure that “[p]eace, stability, and freedom of navigation in the Pacific Ocean [becomes] inseparable from peace, stability, and freedom of navigation in the Indian Ocean”¹⁷.

In order to reach this level of regional involvement, the Japanese government advanced the idea to create a “diamond”-shaped alliance between the major democracies of the Indo-Pacific. As Abe explained:

I envisage a strategy whereby Australia, India, Japan, and the US state of Hawaii form a diamond to safeguard the maritime commons stretching from the Indian Ocean region to the western Pacific. I am prepared to invest, to the greatest possible extent, Japan’s capabilities in this security diamond¹⁸.

¹⁵ M. Pardesi (2018), p. 26.

¹⁶ “[Confluence of the Two Seas](#)”, speech by HE Mr Shinzo Abe, Prime Minister at the Parliament of the Republic of India’, Ministry of Foreign Affairs of Japan website, 22 August 2007.

¹⁷ Shinzo Abe, “[Asia’s Democratic Security Diamond | By Shinzo Abe](#)”, *Project Syndicate*, 2018.

¹⁸ *Ibid.*

However, Indo-Japanese relations did not develop simply because of the Japanese new foreign policy direction. Also, New Delhi had changed its strategy. Since Modi gained power, the country has adopted the so-called Act East policy, with the intent to have India taking up a more active and visible role in East Asian politics and security. According to this strategic logic, Indian ties “with Japan – from economic to strategic – have been completely transformed. It is a partnership of great substance and purpose that is a cornerstone of India’s Act East Policy”¹⁹. Their bilateral relation is growing in importance if we think that “political and defense consultations between the two countries have been institutionalised at the highest level and Japan is the first country with which India has set up a ‘2+2’ dialogue bringing together their respective foreign and defence ministries”²⁰.

Indo-Japanese cooperation has recently extended also to other important areas, such as the Asia-Africa Growth Corridor (AAGC), which both countries are willing to establish in the future. First launched in 2017, the AAGC represents a crucial connection between India and Japan for the development of the Indo-Pacific as the new strategic area for their own economic growth and also as a way to contain China²¹.

Finally, even if the countries composing the Quad have developed so far their own bilateral relations – such as the US-India relations and the Indo-Japanese relations – it has been only recently that the US, India, and Japan started to cooperate both in the areas of security and economy. Demonstrating cooperation skills, especially after the 2004 Indian Ocean tsunami, the three countries started to coordinate their efforts in subsequent naval exercises. “In a significant move, Japan will now

¹⁹ *Prime Minister’s Keynote Address at Shangri La Dialogue*, 1 June 2018, Ministry of External Affairs, Government of India.

²⁰ R. Basrur and S. Kuttayad, “Conceptualizing Strategic Partnerships”, in Idem (eds.), *India and Japan. Assessing the Strategic Partnership*, Singapore, Palgrave Macmillan, 2018, p. 2.

²¹ “[Question No.2694 Asia-Africa Development Corridor](#)”, Mea.Gov.In, 2018.

be a regular participant in the India-US Malabar Exercises”²².

Their trilateral cooperation is steadily improving, culminating in the completion of one of the crucial summits between these three countries in April 2018. That was the 9th US-India-Japan Trilateral Meeting, whose objective is to strengthen these diplomatic connections for a better development of the Indo-Pacific both at the strategic and infrastructural level.

China's Indo-Pacific Geopolitical Strategy

China's economic and trade strategy
for the Indo-Pacific

The Indo-Pacific strategic concept, at this stage, represents a counter-response to the Chinese economic expansion throughout Central Asia. Therefore, at present, there is no clear and coherent Chinese Indo-Pacific strategy per se, since China has set up, as its geopolitical tool of influence, the One Belt One Road (OBOR), later re-named Belt and Road Initiative (BRI). Inaugurated in November 2013 by Chinese President Xi Jinping during a state visit to Kazakhstan, the BRI emerged on the world stage as one of the fundamental infrastructural projects aimed at connecting Asia with Europe through Central Asia²³. Moreover, the dual nature of this project, infrastructural as well as commercial, developed on land and at sea, makes the Chinese geopolitical strategy for the XXI century a combination of those political aspirations that had characterised the Tang and the Ming dynasty respectively, that is, the expansion on land, that shaped Tang's westward expansion in Central Asia, and the Ming's expansion at sea, with the historic naval

²² M.S. Pardesi, “Evolution of India-Japan Ties: Prospects And Limitations”, in R. Basrur and S. Kutttyed (eds.), *India and Japan. Assessing the Strategic Partnership*, Singapore, Palgrave Macmillan, 2018, p. 34.

²³ G. Grieger, *One Belt, One Road (OBOR): China's regional integration initiative*, European Parliamentary Research Service, July 2016.

expeditions by Admiral Zheng. His formidable naval fleet gave China the possibility to reach all Southeast Asian countries, the Indian subcontinent, and the coasts of Africa²⁴.

These elements, historical and otherwise, make evident the assumption that “there is no doubt that OBOR has a key economic component”. The OBOR, in fact, “was designed to deal with the aftermath of an investment boom that has left vast overcapacity and a need to find new markets abroad”, making it “an economic development strategy”²⁵. For example, the creation of the Asian Infrastructure Investment Bank (AIIB) and the Regional Comprehensive Economic Partnership (RCEP) respond to the Chinese need to extend its commercial and economic power as far as Europe, proposing an alternative model to the Western economic and financial systems. The arrival of the first commercial train from China to London in early 2017 symbolised the advent of this new trade infrastructural interconnection between Eurasian states²⁶.

Moreover, this economic and trading network responded to two fundamental necessities: one referred to the idea of rebuilding the Chinese cultural system that would have irradiated the Chinese “brand” worldwide, a concept that was mainly based on the ancient Chinese doctrine of All Under Heaven (*tianxia*)²⁷, while the second, connected to the first one, referred to

²⁴ Xie Tao, “Back On The Silk Road: China’s Version Of A Rebalance To Asia”, *Global Asia*, vol. 9, no. 1, 2014.

²⁵ Xiaoyu Pu, “One Belt, One Road: Visions And Challenges Of China’s Geoeconomic Strategy”, *中國大陸研究 (Mainland China Studies)*, vol. 59, no. 3, 2016, p. 113.

²⁶ J. Joseph, “All aboard the China-to-London freight train”, *BBC*, 18 January 2017.

²⁷ A. Carlson, “Moving Beyond Sovereignty? A Brief Consideration of Recent Changes In China’s Approach To International Order And The Emergence of the Tianxia Concept”, *Journal of Contemporary China*, vol. 20, no. 68, 2010, p. 89-102; Suisheng Zhao, “Rethinking The Chinese World Order: The Imperial Cycle And The Rise Of China”, *Journal of Contemporary China*, vol. 24, no. 96, 2015, pp. 961-982; Zhang Feng, “The Tianxia System”, *China Heritage Quarterly*, no. 21, March 2010.

the necessity of creating an alternative economic and trading system to the American one. Specifically, since the US adopted from 2011 onwards a strategy to contain China's rise, Beijing started to articulate the "March West" (西进 *xijin*) policy, in order to expand its political sphere of action, that is, moving into those areas where its actions could find the least possible frictions, that is, Central Asia and Middle East.

This policy outcome has been theorised by one of the most influential Chinese strategic thinkers: Wang Jisi, dean of the Department of international strategic studies at Peking University. He, in fact, can rightly be considered one of the first thinkers of the overall China's OBOR strategy. In 2011, he articulated his thought in the following terms:

A grand strategy requires defining a geostrategic focus, and China's geostrategic focus is Asia. When communication lines in Central Asia and South Asia were poor, China's development strategy and economic interests tilted toward its east coast and the Pacific Ocean. Today, East Asia is still of vital importance, but China should and will begin to pay more strategic attention to the west. The central government has been conducting the Grand Western Development Program in many western provinces and regions, notably Tibet and Xinjiang, for more than a decade. It is now more actively initiating and participating in new development projects in Afghanistan, India, Pakistan, Central Asia, and throughout the Caspian Sea region, all the way to Europe. This new western outlook may reshape China's geostrategic vision as well as the Eurasian landscape²⁸.

Even if he is not the inventor of the OBOR strategy, it is undeniable that his ideas shaped both the strategic and economic components of the OBOR. This is due to the fact that the Chinese government has recently sponsored, as its political economic policy, the application of a "market-driven economic reform", which would inevitably "let markets play a 'decisive'

²⁸ Jisi Wang, "China's Search for A Grand Strategy", *Foreign Affairs*, vol. 90, no. 2, March/April 2011.

role in the economy”. However, OBOR is not working according to a market-oriented logic. There are clear indications that it is above all a government-driven project, carrying with itself a geostrategic logic. At the same time, another critical component of the economic structure of OBOR is related to the underpinning idea of using economic means to solve security challenges in the region. However, this posits the “chicken and egg” dilemma, that is, should we consider security and stability as the fundamental prerequisites for economic development or should we use investments in insecure regions in order to increase peace and stability? In the Chinese case, things become even more complicated due to the fact that most of the Chinese infrastructural/economic projects in Central Asia are constantly under threat by the weak, corrupt institutions of the recipient states at best, or by local insurgent groups at worst²⁹.

This, therefore, illustrates that in addition to the economic setting, the OBOR stands also for something else: the extension of Chinese geopolitical power abroad. The fact that the OBOR also refers to the maritime route connecting China to the Indian subcontinent, reaching the coasts of Africa (where China has also installed a military facility in Djibouti), also means that we can assume that Beijing is increasingly committed to the development of an infrastructural model that would inevitably contribute to expanding Chinese military presence abroad, while also setting the stage for the first manifestation of the Chinese “exportation” of the military³⁰.

Based on this strategic design, by moving westward, China’s first foreign policy concern is immediately focused on India and the still unresolved territorial disputes between the two

²⁹ Xiaoyu Pu, (2016), pp. 115, 122.

³⁰ Because of the “intimate” relationship between the economic and the political reasons in Chinese strategic thought, Prof. Xiaoyu Pu argues that this dual combination, that cannot therefore be separated, explains the fact that “OBOR could be largely viewed as China’s new geo-economic strategy”, that is, the idea that China is willing to use “economic instruments to promote and defend national interests, and to produce beneficial geopolitical results”. *Ibid.*, p. 115.

countries. Furthermore, there are four additional reasons that have encouraged China to take a more proactive stance in Central and South Asia. They are the following: 1) India's rapid economic growth that make it one of the "emerging major powers in Asia as well as an important factor in the emerging strategic architecture of the Asia-Pacific region"; 2) the progressive transformation of the Indo-US and the Indo-Japanese relationships, which in Beijing are perceived as containment policies; 3) India's "Look East" Strategy³¹, now labelled under Modi as the "Act East Asia" policy³², which would undermine China's rise in Asia; and finally 4) India's rapid military development, accompanied by the development of more conventional, missile and naval capabilities, expanding India's military profile in the Indian Ocean³³.

Specifically, China has developed some maritime installations in Pakistan, such as for example the Gwadar port and the associated China-Pakistan Economic Corridor (CPEC), while others, moving eastward, have been installed in Sri Lanka (the investment over the Hambantota Port) and in Bangladesh.

As regards the first project, the China-Pakistan Economic Corridor is playing a relevant role not only in overall Sino-Pakistani economic relations but also in the region at large, since it has also been referred to as a "game changer" for the South Asia³⁴. This is directly related to the other important agreement between China and Pakistan – that is, military cooperation – to the extent that the former has supplied the latter with eight submarines, which significantly strengthened Pakistani military forces³⁵.

³¹ M.S. Pardesi, "Understanding (Changing) Chinese Strategic Perceptions of India", *Strategic Analysis*, vol. 34, no. 4, 2010, p. 569.

³² C. Ploberger, "One Belt, One Road – China's New Grand Strategy", *Journal of Chinese Economic and Business Studies*, vol. 15, no. 3, 2017, pp. 299-300.

³³ M.S. Pardesi (2010), p. 56.

³⁴ H. Zaffar, "CPEC: Boon or Bane for Pakistan?", *The Diplomat*, 11 November 2016.

³⁵ *Ibid.*

Moving eastward, the other relevant project concerns China's involvement in Sri Lanka. The president of Sri Lanka, Mahinda Rajapaksa, "welcomed much Chinese investment into the country's infrastructure projects, including the Hambantota Port in southern Sri Lanka". This is related to the strategic position of the island, since it "straddles some of the world's busiest sea lanes". China's strategic moves have, so far, "pumped some \$5 billion into Sri Lanka in an effort to turn it into a pivot of its 'Maritime Silk Road'"³⁶.

However, the 2015 election brought to power Maithripala Sirisena, who strongly opposed the Chinese infrastructure projects on the island. Sirisena's victory was "a strong turnaround for the 'string of pearls'"³⁷, to the extent that China seemed to have encountered problems in its "'dual-use' infrastructure projects in Sri Lanka"³⁸. After some negotiations, however, the Sirisena administration eventually approved the Chinese investment into the island.

The third project is strategically relevant, since "China's military cooperation with Bangladesh left New Delhi wary of Chinese involvement too close to India's shores." Through this project, the two countries "have built a strong military relationship, with China as Bangladesh's largest military equipment supplier." Since 2010, China started to implement its economic resources into the Bangladesh's Chittagong Port, in order to make it a "strategic enclave, one of China's 'pearls'"³⁹.

On land, the project of countering India through the encircling maneuver started to be implemented through two different but complementary processes. The first is infrastructural in nature and is accompanied by the other projects developed

³⁶ B. Chellaney, "China's investment in Mahinda Rajapaksa has backfired", *hindustantimes*, 28 April 2017.

³⁷ A. Walayat, "Exclusive: A String of Pearls: China, India, and a Global Game of 'Weiqi'", *The US-China Perception Monitor*, 21 March 2016.

³⁸ B. Chellaney (2017).

³⁹ A. Walayat, "Exclusive: A String of Pearls: China, India, and a Global Game of 'Weiqi'", *US-China Perceptions Monitor*, 21 March 2016.

at sea and it refers to the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC). This project not only increases the connectivity between the countries involved (which paradoxically include also India), but it serves the Chinese scope of controlling Indian development by trying on the one hand to “penetrate into the northeast regions of India”, with the possibility to control two important Tibetan rivers, “upon which India and Bangladesh rely to irrigate northern Chinese plains”, while on the other hand, proposing India to join this project might give it enough benefits so as to mitigate the Sino-Indian confrontation over the Indian version of OBOR, that is, the Indian “Project Mausam”⁴⁰.

China’s military strategy for the Indo-Pacific

China’s Indo-Pacific military strategy, along with BRI’s overall infrastructural focus, follows two directions: land and sea. On land, the Chinese government is concerned with the strengthening of the military forces in the western part of the country. The strategic objectives of the new Chinese military reforms established in 2015 and the associated continuous military drills in the Kunlun mountains have increased Chinese strength in the area⁴¹. This, in turn, has been used to exert a specific influence on the Sino-Indian relations, especially when it comes to confrontation over the disputed territories, thus offering a new rationale for the Chinese military development. In fact, the People’s Liberation Army (PLA) forces in Xinjiang, for example, besides being “an economy of force operation”, i.e. relatively small with respect to the task they are being asked to perform, nevertheless present an important war asset:

⁴⁰ R.W. Hu, “China’s ‘One Belt One Road’ Strategy”, *China Report*, vol. 53, no. 2, 2017, pp. 108-116.

⁴¹ S. Miracola, “Sui Monti Kunlun L’esercito S’addestra A Difendere La Via Della Seta”, *cina forum*, 20 November 2015.

PLA ground forces are transitioning from a static defensive force allocated across seven internal MRs (Military Regions) [now turned into five after the November 2015 military reform by Xi Jinping], oriented for positional, mobile, urban, and mountain offensive campaign; coastal defence campaigns, and landing campaigns, to a more offensive and maneuver-oriented force organised and equipped for operations along China's periphery. The ground forces appear to be leading the PLA's effort to experiment with ad hoc, multi-service, joint tactical formations to execute integrated joint operations⁴².

At sea, China's Indo-Pacific military strategy mainly focuses on ports expansion and maritime doctrine evolution⁴³. China's ports expansion, however, deserves a critical analysis. Along with the BRI, China has also consolidated its presence in the port of Djibouti in the Horn of Africa, Gwadar in Pakistan, Hambantota in Sri Lanka, in the Maldives, Tanzania and in the Piraeus port in Greece (even if the latter lies outside the Indo-Pacific region as such).

The strategic rationale for China's ports expansion throughout the region is twofold. First, China needs to protect the supply routes – that is, the sea lines of communications (SLOC) – useful for its own economic development. To ensure the success of this objective, for years now China has been engaged in a naval military growth aimed at both the construction of a navy capable of performing military as well as humanitarian operations outside China's coastal areas and at the protection of its trade interests, especially in light of growing regional tensions with the United States and India. The necessity to move now into the military realm is a “reverse of the Mahanist idea of

⁴² U.S. Department of Defense, *Annual Report to Congress, Military And Security Developments Involving The People's Republic Of China 2011*, Washington D.C., 2011, p. 2, cited in S.J. Blank, “Dragon Rising: Chinese Policy In Central Asia”, *American Foreign Policy Interests*, vol. 33, no. 6, 2011, p. 270.

⁴³ S. Miracola, “The Indo-Pacific ‘Encirclement’: How Is China Reacting?”, *Commentary*, ISPI, 2018.

commercial ships following the warships⁴⁴.

It is clear that for Beijing, the protection of trade routes is motivated above all by the need to meet the goals of its economic growth. For instance, 80% of the oil imported by Beijing passes through the Indian Ocean and the Strait of Malacca before reaching the South China Sea. For China, therefore, the Indo-Pacific routes are vital corridors (生命线 – *shengming xian*) for its energy survival. It is essential, then, to be able to defend them against possible adversaries⁴⁵. For example, a naval blockade at the Strait of Malacca, in Southeast Asia, which would halt the supply of oil and other necessary resources, would pose a challenge to China's domestic stability. This concern had already been expressed in 2003 by the then-Chinese President Hu Jintao who referred to the "Malacca Dilemma" (马六甲困局 – *maliujia kunjun*) when talking about the so-called choke-points of Southeast Asia⁴⁶.

This geopolitical commitment underlines China's historical geographical vulnerability: a wide maritime and land border to protect itself against adversaries. Therefore, one of the major drivers of China's ports expansion concerns Beijing's desire to minimise its maritime vulnerability by also shortening its supply routes; in other words, finding a way to diminish the so-called "tyranny of distance"⁴⁷. In so doing, China is trying to establish its presence (both military and otherwise) in various ports along the Indian Ocean in order to protect its maritime corridors. This highlights the so-called dual-use strategy, namely: use of ports for both civilian and military purposes.

The second reason behind China's ports expansion concerns Beijing's desire to extend its own influence throughout

⁴⁴ You Ji, "China's Emerging Indo-Pacific Naval Strategy", *Asia Policy*, no. 22, 2016, p. 14.

⁴⁵ D. Thorne and B. Spevack, *Harbored Ambitions. How China's Port Investments are Strategically Reshaping the Indo-Pacific*, C4ADS, 2017, p. 16.

⁴⁶ I. Storey, "China's 'Malacca Dilemma'", *China Brief*, vol. 6, no. 8, 2006.

⁴⁷ J.W. Garver, "Diverging Perceptions of China's Emergence as an Indian Ocean Power", *Asia Policy*, no. 22, 2016, p. 56.

the region to realise both its hard and soft power objectives. Specifically, this influence could also be achieved through the so-called “military operations other than war” (MOOTW – 非战争军事行动 – *fei zhanzheng junshi xingdong* in Chinese). They refer to humanitarian and anti-piracy operations. China already experienced such a crisis scenario – the collapse of the Libyan government in 2011. At the time, the Chinese government had to develop its own maritime forces for extracting its citizens from areas of crisis.

In line with its own strategic vision for the Indo-Pacific, China is establishing its military presence also in Vanuatu, a tiny republic located in the Pacific Ocean. Since this outpost lies outside China’s traditional areas of geopolitical interest, it is clear that such a move responds more to Beijing’s overall objective to extend its presence throughout the region than its own intimate necessity to protect the sea lines of communication. In fact, this prospective Chinese base would create favourable conditions for checking Australia’s moves, especially in light of Canberra’s involvement in what may be the revival of the Quad. At the same time, this action would further enhance Beijing’s ability to monitor US actions in Guam⁴⁸.

The second element, a direct result of the first, concerns China’s new maritime strategy, which also encompasses the Indo-Pacific. The most valid explanation is offered by the 2015 China’s Military Strategy White Paper⁴⁹. It illustrates Beijing’s desire to develop a blue-water navy fleet, able to carry out operations for offshore protection (远海护卫 – *yuanghai huwei*). The document has also labelled it as “frontier defence”, that is, the protection of the new Chinese frontiers abroad directly related to Beijing’s own national and security interests. This stands in contrast to Chinese traditional defence operations, carried out near the coast (近海防御 – *jinhai fangyu*), for which China’s coastal fleet (green-water navy) would have been already

⁴⁸ S. Miracola (2018).

⁴⁹ “China’s Military Strategy - White Paper”, Full Text, English.Gov.Cn, 2015.

sufficient. The creation of a blue-water navy is crucial according to the new national defence document, since it highlights the importance of moving from one maritime theater of operation (the Pacific Ocean) to two (the Pacific and Indian oceans)⁵⁰.

Moreover, this strategic shift also entails the so-called “1.5 war” doctrine, which refer to China’s plan to build a military capability able enough to withstand one major war on one front while containing the military operations occurring on the other. Namely, China is trying to find a way to face a major war in the East or South China Sea against, for instance, the US, while also facing the possibility of an Indian attack on its land frontier or vice versa⁵¹.

The establishment of a high seas fleet would facilitate the expansion of the Chinese military presence at the regional and global level and would help Beijing to counter Indian and US attempts to encircle China. Taking New Delhi into Beijing’s strategic calculation, China is creating, in the Indian Ocean (Sri Lanka, Maldives, Pakistan, and Bangladesh), what has been defined as the strategy of the “pearl chain” (珍珠链 – *zhenzhu-lian*), not be misunderstood for the so-called “string of pearls”, which simply envisages the creation of logistical support points in the Indian Ocean. Unlike the string of pearls, the pearl chain consists in the attempt to physically control the main strategic ports of the Indian Ocean, so as to form a combat-oriented containment line directed at India. New Delhi, for its part, under the Modi presidency, has launched an intense program of military modernisation. The Indian navy is expanding into what the government refers to as its area of influence. The results of this new Indian assertiveness have already manifested themselves in 2017, first when New Delhi sent its own military unit to the Strait of Malacca with the aim of monitoring the commercial flow of the area, and then through the military standoff with China on the Doklam plateau, located between

⁵⁰ You Ji (2016), p. 26.

⁵¹ Ibid.

Bhutan, India, and China; clear signs of the Indian will to control Chinese expansionism.

As a result, Beijing's crucial aspects of its developing Indo-Pacific strategy – ports expansion and blue-water navy – are two assets to be closely monitored for the future strategic interaction within the region. The ports, in fact, are considered strategic support points (战略支点 – *zhanlue zhidian*)⁵², in order to both protect the maritime routes for the transportation of the necessary resources for Beijing's economy and to extend the Chinese influence at regional and global level. Chinese influence that could also be the result of a more assertive foreign policy, which tries to find a way to counter-encircle Beijing's direct antagonists.

Conclusions

The Indo-Pacific represents a new strategic scenario that will shape Asian politics, economy, and security in the years ahead. It will be a geopolitical instrument necessary to connect emerging and developed countries, such as India and other African countries on one hand and Japan and Australia on the other.

Furthermore, it is also an American attempt to gain a foothold into the Asian continent, which could be more persistent with respect to the previous strategic policies that the American administration have been adopting so far. For example, the above-mentioned “pivot to Asia”, proposed by the Obama administration in 2011, has not achieved the desired results, specifically the containment of China and the increase of American power in the region. The Indo-Pacific strategy is another attempt to critically check China's expansion, especially now that the BRI is becoming more and more pervasive within the geopolitical logic governing the Asian continent. The Indo-Pacific strategy, therefore, does not look only at the security dimension, but also at the economic and infrastructural level,

⁵² D. Thorne and B. Spevack (2017), p. 24.

so as to challenge the Chinese investment system along the One Belt One Road.

China's Indo-Pacific strategy follows two directions. First, China is trying to develop a strategy that is coterminous to its overall Belt and Road Initiative. In other words, the economic and infrastructural projects developed so far will still be playing a major role within any type of strategic logic China is willing to develop for the Indo-Pacific.

The second direction of China's Indo-Pacific strategy directly concerns its ports expansion and its maritime development. The former one envisages China's ability to extend its infrastructure throughout the Indo-Pacific both for economic – and therefore commercial – and security reasons. Through ports acquisition, China is becoming a crucial actor in the regional strategic dynamics.

In relation to this, the latter element, the maritime development, expresses China's willingness to develop an efficient navy and a comprehensive maritime doctrine, which could back China's economic and ports expansion. A stronger navy backed by a more sophisticated military doctrine would definitely strengthen China's ability to project power abroad, therefore becoming a stronger opponent in the international arena.

A stronger opponent that the United States is now willing to counter by adopting a more comprehensive geopolitical strategy that is not limited only to the military field but also encompasses the infrastructural and economic level, as the US is trying to challenge China also on those areas for which it still assumes to be holding a strong supremacy.

3. An Administration at War with Itself: The New US Strategy for the Indo-Pacific

Brad Glosserman

If a single principle guides the Trump administration's strategic thinking, it is the return of "great power competition". The US National Security Strategy adopted that framework, and it has shaped policy and pronouncements ever since. In Asia, the primary "great power competitor" is China, and responding to "the China challenge" has consumed policymakers since the Trump administration took office (and even before). The recognition and subsequent declaration of a competition with China is not a strategy, however, and the US has struggled to put meat on the bones of its approach towards China ever since.

The first real attempt to articulate a strategy to deal with China occurred in the fall of 2017 when then-Secretary of State Rex Tillerson spoke of a "free and open" Indo-Pacific region. Since then, this concept has become the framework for the US thinking about and policy toward the region. This chapter explores the history of the "Indo-Pacific" as a strategic referent, its meaning, and the US government policy toward this vital region. It concludes with a criticism of the US approach and anticipates its evolution.

Trump and the Art of Rebranding

While Tillerson's October 2017 speech at the Washington-based Center for Strategic and International Studies (CSIS) announced the Trump administration's formal embrace of the Indo-Pacific concept, the idea has a long provenance. Japanese Prime Minister Shinzo Abe was the first to speak of an "Indo-Pacific" partnership in an August 2007 address to the Indian Parliament. The Obama administration adopted that outlook to define the geography of its "rebalance to Asia". Secretary of State Hillary Clinton used the term in her seminal article "America's Pacific Century", while former US President Barack Obama spoke of the need to integrate the two oceans in his November 2011 speech to the Australian Parliament. Clinton's frenetic Assistant Secretary for East Asia and the Pacific Kurt Campbell was an evangelist for the notion as well.

Soon after, the term was in vogue throughout the region. In 2013, Australian analyst Rory Medcalf argued that "Asian geopolitics is abuzz with talk of the 'Indo-Pacific' and noted that the phrase had been "thoroughly inducted into the U.S. rhetorical armory". Indian Prime Minister Narendra Modi picked it up in 2012, and Australia officially embraced the term in its 2013 Defence White Paper. Southeast Asian leaders also endorsed the concept. After Tillerson deployed the term in his CSIS speech – 19 mentions no less – it became the standard term of reference for US policy: it was in President Trump's speeches during his November 2017 Asia tour (although he sometimes referred to "the Indo-Asia-Pacific"), the National Security Strategy, and all subsequent documents, as well as speeches in the region by all US officials.

In fact, the ideas that underpinned "the Indo-Pacific" predated those mentions. In the late 1980s, Adm. Thomas Hayward, head of US Pacific Command, developed war-fighting plans that assumed a single operational theatre of the two oceans. His successors have inherited that outlook: when Adm. Harry Harris was Head of US Pacific Command (PACOM) (from

2015-2018), he liked to say that his area of operations (AO) ranged “from Hollywood to Bollywood, from polar bears to penguins”. Once the administration of US President Bill Clinton had time to digest the impact and significance of India’s 1998 nuclear tests, it swallowed its anger and began serious outreach to India to build a more stable and enduring relationship with the world’s largest democracy. Clinton policy was premised on the belief that security challenges in South Asia and the Indian Ocean necessitated a wider perspective and a working relationship with Delhi. His successor, George W. Bush built on that foundation, especially as he sought allies and partners to deal with the challenge of Muslim extremists that had gone to ground in Central Asia.

The Bush administration had a second, even more compelling reason to embrace India in its strategic vision for the region: the rise of China. China had been recording double-digit growth for nearly a decade when Bush took office, and his administration considered China’s growth and the channelling of its resources into a modernising military as an ever-more proximate threat. For strategists in the US government, a democratic, market-oriented India would be critical in efforts to constrain China.

Yet even as Bush strategists worried about the long-term implications of China’s rise, they prioritised Beijing’s role as a partner in the fight against terrorism. As a result, they never formulated an Asia-Pacific or Indo-Pacific strategy. The Obama administration dropped the “global war on terror” that Bush waged and emphasised instead the rise of Asia, which demanded a new conceptualisation of global power dynamics. The “Rebalance” (or “the pivot”) was developed in response. It rested on the foundational significance of a linkage of the two oceans, and while the Trump administration rejects the language of the rebalance – and anything else with Obama’s fingerprints – it has embraced its logic.

Explaining the Indo-Pacific

At the CSIS, Tillerson observed that “The Pacific and the Indian Oceans have linked our nations for centuries [...]. As we look to the next 100 years, it is vital that the Indo-Pacific, a region so central to our shared history, continued to be free and open”. A quick look at a map makes clear his logic. Tillerson noted that “40% of the world’s oil supply crisscrosses the Indian Ocean every day, through critical points of transit like the Straits of Malacca and Hormuz”. The sea lines of communication that traverse the region are the lifelines of the economies of Northeast and Southeast Asia; it is estimated that 90% of the energy that fuels the Japanese and South Korean economies travels those routes. One authoritative analysis concluded that an estimated US\$3.4 trillion in trade transited the South China Sea in 2016, nearly 21% of global trade. Given that so much of that trade originates in the Middle East (energy) or Africa (raw materials), it makes sense to identify the two bodies of water as a single operational theatre.

Six months later, Tillerson was gone, but the concept had taken root. The next attempt to explain the administration’s thinking about the Indo-Pacific, which by then was called “a strategy”, was offered by Alex Wong, Deputy Assistant Secretary of State for East Asia and the Pacific, in an April briefing to the press. Wong noted that central to the logic of the Indo-Pacific strategy was the phrase “free and open”. Tillerson had used those words in his speech, but merely as descriptors; Wong insisted that they were essential. He expanded, adding that “We want the nations of the Indo-Pacific to be free from coercion, that they can pursue in a sovereign manner the paths they choose [...] at the national level, we want the societies of the various Indo-Pacific countries to become progressively more free – free in terms of good governance, in terms of fundamental rights, in terms of transparency and anti-corruption”. Open, for the Trump administration, means “open sea lines of communication and open airways [...], open logistics – infrastructure [...] open investment [...] open trade [...]”.

Former US Secretary of Defence James Mattis¹ provided the third attempt to put flesh on the bones of the Indo-Pacific strategy in remarks to the Shangri-La Dialogue, the IISS defence meeting that is held in Singapore each year. Mattis described the Indo-Pacific strategy as “a subset of our broader security strategy” which involved “deepening alliances and partnerships as a priority”. Central to its implementation is deepening engagement with existing regional mechanisms as well as seizing on new opportunities for multilateral cooperation. From his perspective – and it is important to note that it is the Secretary of Defence who is speaking – there are four main themes to the Indo-Pacific strategy: expanding attention on the maritime space by helping partners build naval and law enforcement capabilities and capacities to improve monitoring and protection of maritime orders and interests; interoperability, to ensure that the US military can more easily integrate with others; strengthening the rule of law, civil society, and transparent governance; and private sector-led economic development with no empty promises or surrender of economic sovereignty.

The fourth attempt to explain the Indo-Pacific strategy was made by Secretary of State Mike Pompeo in a late July 2018 speech on the eve of his departure for a tour of Southeast Asia. Perhaps stung by criticism that the strategy lacked, despite its rhetoric, an economic component, his remarks focused on economic engagement. He reiterated the region’s “great importance to American foreign policy”, as it is “one of the greatest engines of future global – of the future global economy, and it already is today”. Honing the language that Wong served up just three months earlier, he explained that by “free” the US means every nation is “able to protect their sovereignty from coercion by other countries. At the national level, ‘free’ means good governance and the assurance that citizens can enjoy their fundamental rights and liberties”. Open, Pompeo continued, means that

¹ James Mattis resigned as US Defence Secretary on December 20, 2018, one day after Trump announced the withdrawal of US military troops from Syria.

all regional countries “enjoy open access to seas and airways. We want the peaceful resolution of territorial and maritime disputes. [...] Economically, ‘open’; means fair and reciprocal trade, open investment environments, transparent agreements between nations, and improved connectivity to drive regional ties [...]”.

He then articulated the “Indo-Pacific Economic Vision”. In it, the US aspires to “a regional order, of independent nations that can defend their people and compete fairly in the international marketplace. We stand ready to enhance the security of our partners and to assist them in developing their economies and societies in ways that ensure human dignity. We will help them keep their people free from coercion or great power domination”. In simple terms, the US seeks “strategic partnerships, not strategic dependency”.

To make that vision real, Pompeo announced the creation of a US\$113 million fund to promote public-private partnerships. Priorities for lending include energy, infrastructure, and digital connectivity: US\$25 million will go to a Digital Connectivity and Cybersecurity Partnership, which will, among other things, expand US technology exports, and about US\$50 million will go to support energy and other infrastructure needs. Officials at the Overseas Private Investment Corp. (OPIC), which provides US government support for American businesses abroad, added that they hope to double the US\$4 billion currently invested in the Indo-Pacific “in the next few years”.

The following day, the US, Japan, and Australia unveiled a trilateral partnership for infrastructure investment across the region. Organised by OPIC, Japan’s Bank for International Cooperation and Australia’s Department of Foreign Affairs and Trade, it will focus on energy, transportation, tourism, and technology infrastructure. It will promote “transparency, open competition, sustainability, adhering to robust global standards, employing the local workforce, and avoiding unsustainable debt burdens”.

Dissecting the Indo-Pacific

US officials concede that their first year was spent developing and articulating the Indo-Pacific concept and the resulting strategy. Now, they insist that they are focused on implementing that vision and closing the gap between US rhetoric and its actual engagement. As the administration works to put its strategy into effect, core principles and features have emerged or become clearer.

First, the geography of the Indo-Pacific creates diplomatic and security imperatives. Since its two defining features are oceans, the resulting strategy is largely maritime in nature. This privileges cooperation among littoral governments, and prioritises programs and programs that include their navies and coast guards. Not surprisingly, the primary form of cooperation that has emerged since the concept was announced has been security-oriented and has been operationalised in the Quadrilateral Dialogue, or “the Quad” that includes the US, Japan, Australia, and India.

Geography also raises a basic question: what exactly does it include? The Indian and Pacific oceans are vast. Does the Indo-Pacific include all of them? Typically, the Pacific nations involved are from North America; there is no mention of South America in these designs. But some Asia-Pacific organisations, such as APEC (the Asia Pacific Economic Cooperation forum), include South American countries such as Chile. Does the Indo-Pacific extend that far south? Equally unclear are the concept’s western limits. The US Pacific Command (recently renamed the Indo-Pacific Command) extends to India; for many Americans, the “Indo” component of the Indo-Pacific stops midway through the Indian subcontinent. By contrast, Japanese strategists push its boundaries all the way to Africa and include the Persian Gulf region as well, since the supply lines they seek to protect extend that far. (It helps that China’s ambitious foreign economic policy project, the Belt and Road Initiative, includes Africa). Equally, confusing is the absence of

“Asia” in the Indo-Pacific nomenclature. Reference to the “Asia Pacific” made clear that continental Asia was included. While much of that land mass can be included in the Indo-Pacific – the countries on the littoral – how much exactly that is remains uncertain; how far inland will Indo-Pacific projects extend? Are landlocked countries even included?

Geography also puts Southeast Asia at the heart of the strategy – literally. That sub-region is at the precise point at which the two bodies of water converge. Thus, ASEAN (Association of Southeast Asian Nations) assumes outsize importance in the implementation of any Indo-Pacific strategy. ASEAN has zealously guarded its position as convener, gatekeeper, and arbiter of issues of concern to the region and does so by insisting on “ASEAN centrality”, or the use of ASEAN-chaired institutions and mechanisms for regional economic and security dialogues. This ensures that it calls the shots when engaging larger extra-regional powers, managing the competition among them and maximising opportunities to maneuver among them and play one off the others. US officials (and indeed those of all outside powers engaging the region) have been and remain acutely aware of the need to acknowledge ASEAN centrality: former US Secretary of Defence Mattis mentioned the phrase four times in his speech and comments during the Shangri-La Dialogue, and Secretary of State Pompeo emphasised the US commitment to the concept when he attended the ASEAN Ministerial meetings and the ASEAN Regional Forum (ARF) in early August. Yet while Southeast Asian governments have acknowledged and in some cases encouraged adoption of the Indo-Pacific framework, they have been slow to try to shape its contour and contents.

Second, the Indo-Pacific strategy has assumed a normative element. Tillerson’s original speech referred to the US desire to ensure that the region stays “free and open”. The National Security Strategy mentions a “free and open Indo-Pacific”, but again it is merely a desired end state. When a genuine strategy is articulated, it is that of a “Free and Open Indo-Pacific”, or

FOIP: the two adjectives have become an integral part of the vision. For the Trump administration (and other like-minded governments), this has meant an emphasis on the rule of law, peaceful resolution of disputes, good governance, and the protection of human rights. As Tillerson noted, “our starting point should continue to be greater engagement and cooperation with Indo-Pacific democracies”. While its proponents insist that respect for these values is open-ended and targets no particular country, it is clear that some governments are perceived as less committed, if not hostile, to them. Some Southeast Asian analysts have voiced considerable unease with this normative dimension to the Indo-Pacific strategy, concerned both by the possibility of excluding some Southeast Asian governments (which would do great damage to ASEAN unity) and the prospect of targeting China (a topic taken up below).

A third key feature of the Indo-Pacific strategy is the role played by India. It is difficult, if not impossible, to envisage an Indo-Pacific strategy that did not hold out a major role for India. The Tillerson speech was delivered at an event sponsored by the CSIS India Chair and was intended to signal a more expansive approach to the region. As Mattis noted in June, “the U.S. values the role India can play in regional and global security, and we view the U.S.-India relationship as a natural partnership between the world’s two largest democracies, based on a convergence of strategic interests, shared values, and respect for a rule-based international order”. As was noted, Washington has for nearly two decades tried to build a better relationship with Delhi. That effort has been fitful, but it has moved forward. For his part, India Prime Minister Narendra Modi has embraced the language of the “Indo-Pacific” using it at his keynote speech at the Shangri-La Dialogue. But he stressed that “India’s vision of the Indo-Pacific region is a positive one. [...] By no means do we see it directed at any country. [...] New Delhi’s engagement in the area will be inclusive”.

Not So Fast

For many US strategists, the Indo-Pacific framework is a no-brainer. It is well suited to XXI century geostrategic and geo-economic realities, maximises US strengths – its maritime capabilities, its network of alliances and partners throughout that geographic space and its soft power – and promotes an effective sharing of burdens among like-minded nations.

Unfortunately, several problems in both conception and implementation threaten the success of the FOIP. Some are practical. For example, the above-mentioned disagreements over the geographic reach of the Indo-Pacific must be worked out if governments are to cooperate on missions. There must be agreement on the area covered if security-related cooperation is to be effective. There are related disagreements about the Quad – what its mission is, who its potential additional members could be, and where it will operate. There is also a tendency to conflate the Quad – which is merely a mechanism for regional security cooperation – with all such cooperation or even the entire Indo-Pacific strategy itself. Clarity is required.

But there are several other issues that go to the heart of the Indo-Pacific strategy and the resolution of which is both essential to its success and extremely difficult to achieve. Here, I focus on just three.

The first concerns values and the role they play in the strategy. For a number of reasons, values are problematic. For a start, there is the question of which values are intrinsic to the strategy. The US and like-minded countries identify democracy as the starting point for cooperation, but they also speak of respect for the rule of law, market-oriented economies, and peaceful dispute resolution. Even without being pedantic, it is hard to call all those things “values”: some are principles, some are policies. The lack of precision facilitates criticism that this element of the strategy is intended to justify the exclusion of countries with whom participants have other disagreements – in other words, China. More troubling is the seeming US disregard – or at least

that of the president himself – for values. US rhetoric continues to uphold human rights and values, but its policies seem malleable. There is a perception that this administration is transactional in its foreign policy and human rights practices can be overlooked if the offending government can deliver something of value to the United States. A related problem is that many governments in the Indo-Pacific do not honour these values. Democracy and the protection of human rights are in retreat in several countries in the region – Cambodia, Laos, Myanmar, Thailand, the Philippines, and Vietnam, for example – and any emphasis on them is likely to alienate, antagonise, or disqualify them from joining the strategy.

A second core issue is India. It has long been assumed in Washington that Delhi can serve as a strategic counterweight to China. Only India can match China in population, and its economic success has some optimists arguing that it will catch up with or even overtake its neighbour to the north. It will take time, but a booming Indian economy could challenge China as the centre of the Asian economy and counter growing Chinese economic influence. India is a regional power that seeks influence not only in South Asia but in Southeast Asia too. India's mistrust towards China – they have fought three border skirmishes; four, if last year's encounter at the Doklam Plateau is included – is assumed to reinforce alignment with the US.

That is a dangerous assumption. On several levels, Washington and Delhi agree on policy and desired regional outcomes. Yet for all the overlap in outlook and orientation – they share a belief in democracy, both are aligned with Japan and Australia, and both are wary of China and see it as a potential (if not actual) adversary – it is not clear that this convergence permits the two countries to coordinate action in a meaningful way. Delhi remains ready to work with Beijing as well. India and China are revisionist powers that believe the current international order does not reflect their interests; both are members of the BRICS group, which seeks a more multipolar world, and they have similar approaches to trade and economic reform.

Most important, however, is India's commitment to sovereignty, independence, and neutrality. Delhi has zealously protected its nonaligned status since gaining independence over a half century ago, and no Indian government will make choices that either compromise that position or even allow criticism that it is doing so. Delhi will likely forego cooperation – even when in its own interest – if there is even the apprehension of an appearance of a loss of independence.

A third concern is China. The US insists that the Indo-Pacific strategy is not intended to contain or counter China. Officials argue that it is an open and inclusive concept, and all countries that adhere to the principles of a free and open Indo-Pacific can join. When US officials discuss the Indo-Pacific, they don't mention China or they instead point out that "it is not just about China". Yet the formulation of a "Free and Open Indo-Pacific" makes it impossible to miss the anti-Chinese intent. When officials explain that "free" means "free from coercion", the only regional capital that seems – from the US perspective – to limit the choices of other countries is Beijing. In addition, the effort to ensure greater freedom for regional countries – in terms of governance, fundamental rights, transparency, and anti-corruption – is a stark counterpoint to the guiding principles of the Chinese political model. And "open", as explained by US officials – abiding by rules, not forcing technology transfer, not favouring national champions, not stealing intellectual property – also seems to identify China as the primary threat. Finally, the Trump administration's National Security Strategy highlights "a geopolitical competition between free and repressive visions of world order [that] is taking place in the Indo-Pacific region". That framework would seem to exclude the possibility of cooperating with Beijing within an Indo-Pacific strategy.

The US cannot afford a wholly antagonistic relationship with China, however. The two countries' economies are deeply integrated. China is the largest holder of US Treasury Bills; it is critical to the supply chain of US companies and is a vital market for US agricultural and industrial goods. China is the

source of many of the low-cost goods that US consumers buy. The two countries must work together if they are to solve problems that both governments prioritise: North Korea's nuclear program, Islamic extremism, cybersecurity, reducing the risk of inadvertent conflict, among a long list. As the two largest economies in the world, the two largest greenhouse gas emitters, nuclear weapon states, holders of permanent seats on the United Nations Security Council, the US and China must find a *modus vivendi*.

The US must also be wary of identifying China as an adversary because it would force nations in the Indo-Pacific region to choose between the two – and it is not clear which they would pick. Historically, countries throughout the region have relied on the United States for their security even as China has become more important to their economies. Many of those governments prefer a distant power as an external balancer and fear that China would not be as benevolent if it were to assume that role. Nevertheless, Southeast Asian officials and experts invariably say that they do not want a line drawn through the region and do not want to be forced to pick between Washington and Beijing. The US, Japan, Australia, and India over a decade ago attempted to form a quadrilateral security arrangement, but that effort collapsed when Canberra got apprehensive about Chinese objections to the plan.

Wrong-Headed Economics

The biggest problem for the Indo-Pacific strategy, however, is its economic component. The administration is right to note that the world is increasingly dominated by great power competition. But while that competition may assume a military character, today its primary form is economic. China has recognised the challenge and responded accordingly. It set up the Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative – which is anticipated to be the world's largest development program, reaching trillions of dollars – to fill Asia's

yawning infrastructure gap, winning friends and extending its influence in the process. The Trump administration, however, has been slow to respond, rolling out the economic dimension of its strategy only in mid-summer in Secretary Pompeo's above-mentioned speech. The US program is dwarfed by the scale of China's efforts. Pompeo explained that the discrepancy reflects both a US preference for a modest government role and the fact that it is a down payment on a larger project to reorganise and rationalise the US aid bureaucracy. He also argued that the way that the US does business works to its advantage: "With American companies, citizens around the world know that what you see is what you get: honest contracts, honest terms and no need for off-the-books mischief".

Unfortunately, a bigger problem hampers US efforts to compete with China on the economic front: the administration's understanding of economics is flawed and its singular determination to rectify US trade imbalances and redirect investment back to the United States undermines US policy. No reputable economist believes that trade imbalances have any real impact on American economic ills. Worse, the stated objective of Trump administration policy is to bring money – either in the form of investment or via trade – home, to spur job and wage growth in the US. In other words, the US goal at its most basic level is to take money away from trade and business partners.

The execution of US economic policy has compounded these problems. One of Trump's first acts upon entering the White House was to withdraw the United States from the Trans-Pacific Partnership (TPP), the 12-member trade agreement that sought to develop a new regional economic architecture and ensure that the US was one of its principal creators. That single act did tremendous damage to US leverage and influence over regional Asian economic policy. Since then, the US has embarked on a unilateral effort to rewrite global trade rules and outcomes, protesting World Trade Organization (WTO) dispute settlement procedures and imposing tariffs and sanctions on trade partners and practices it deems unfair. Most worrying,

the administration has resorted to the use of “national security” justifications for those actions, rendering them virtually unreviewable.

Many US complaints about trading partner behaviour, especially that of China, are valid. Annual reports from chambers of commerce in China detail long lists of complaints about Chinese government behaviour and the resulting “tilt” in the domestic market. China’s state-owned enterprises have navigated WTO rules to reduce constraints on their behaviour. The only way that Chinese behaviour will change is if a large number of key trading partners establish and maintain a united front against it. Unfortunately, US economic unilateralism has antagonised many of its most important allies in that effort. Ironically, China now claims to be a key supporter of the global economic order and charges the US with being the principle danger to its survival.

Moving Ahead

In this environment, the success of the Indo-Pacific strategy, despite its underlying logic and appeal, is not guaranteed. To better establish conditions for its success, the US should first ensure that the strategy is implemented visibly. There must be evidence that Washington is prioritising the Indo-Pacific in budgets, staffing, and attention. The most powerful critique of the rebalance was that its rhetoric was never matched by the reality of US policy. Other regions commanded more attention, resources, and billets than did the Asia Pacific. Expertise and analysis were focused elsewhere.

Most significantly, the US must continually engage the region. Former Defence Secretary Mattis has made regular visits to the region, and Secretary of State Pompeo has joined various ASEAN meetings and processes. Unfortunately, his leading role in negotiations with North Korea reduces time for other initiatives; at some point, he must hand that job off to the special envoy for North Korea, although crises elsewhere in the world will

also demand his attention. The US needs an Assistant Secretary of State for East Asia and the Pacific and the fact that the position is unfilled nearly two years into the administration's first term is inexplicable and counterproductive to US interests in the region. The president's decision to not go to the 2018 East Asian Summit and the APEC Leader's Meeting raises additional questions about US commitment.

It would be helpful if the US abandoned an economic logic that is illogical at best and inimical to US interests at worst, but the president's commitment to "Making America Great Again" and his conviction that he is the smartest man in every room he enters suggest that such a shift is not forthcoming. A recognition and appreciation of the value of allies would eliminate much of the concern and doubt about the US security commitment to the region and make implementation of the Indo-Pacific strategy much easier. In other words, in many ways, the US must fight its impulses to make that strategy real.

4. India and the Pacific Ocean: The “Act East” Between Trade, Infrastructure and Security

Jagannath P. Panda

New Delhi’s approach to the Pacific world is a growing testimony of the role of India as an Indo-Pacific power. The ambition to engage and enhance New Delhi’s strategic presence is one of the most important aspects of India’s approach to the Pacific World – the Pacific Ocean and the Pacific Island Countries (PICs). This is aptly reflected in Prime Minister Narendra Modi’s speech at the Shangri-La Dialogue on 1 June 2018, stating how India’s engagement with the PICs is witnessing a “new phase of engagement” to bridge the “distance of geography through shared interests and action”¹. As India’s “Act East” policy is witnessing changes in political, economic, and security outreach in the larger Indo-Pacific calculus, the Pacific Ocean will undoubtedly continue to grow as an important geo-strategic maritime region in Indian policy configuration. This chapter evaluates the strategic significance of the Pacific Ocean in Indian foreign policy and examines how it is commensurate with India’s “Act East” Policy (AEP) between trade and economy, infrastructure, and security outreach of India in the region. The chapter argues that India’s growing adherence to the Pacific

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¹ *Prime Minister’s Keynote Address at Shangri La Dialogue*, 1 June 2018, Ministry of External Affairs, Government of India.

world is an undertaking moving beyond limited engagement in the immediate maritime periphery and enriching its overall Indo-Pacific stature as a power through improved presence in the Pacific Ocean and particularly, among the PICs.

The Pacific Ocean in India's "Act East" Policy

Among many other parameters, reaching out to the "extended neighbourhood" in the Asia-Pacific, now increasingly labeled as the Indo-Pacific, has been one of the principal aspects of India's "Act East" policy². While promoting strategic contact ranging from economic cooperation to cultural ties in the "extended neighbourhood" is the principal objective, enhancing connectivity between Northeast India and the immediate neighbourhood of Southeast Asia – from the Bay of Bengal to the Mekong region – has been the other principal narrative of India's "Act East" policy³. The official parlance of India's "extended neighbourhood" concept is more than a decade old and was outlined in 2006 by the then Minister of External Affairs, Pranab Mukherjee. He said that India's political, economic, and defence engagement with West Asia, Central Asia, Southeast Asia, as well as with the Indian Ocean Region (IOR), explained this phenomenon⁴. This concept of "extended neighbourhood" suggests a classic mixture of soft power as well as hard power projection with continuous political, economic, and ideational engagements that India steadily employs in different regions of the world⁵. In East

² *Act East Policy*, Press Information Bureau, Ministry of External Affairs, Government of India, 23 December 2015.

³ *Ibid.*

⁴ P. Mukherjee, "India's Foreign Policy: A Road Map for the Decade Ahead" Speech, 46th National Defence College Course, MEA Media Centre, 15 November 2006.

⁵ J. Panda, "India in East Asia: Reviewing the Role of a Security Provider", in S.D. Muni and V. Chadha (eds.), *Asian Strategic Review 2015: India as a Security Provider*, Institute for Defence Studies and Analyses (IDSA) and Pentagon Press, New

Asia, engagement with the Association of Southeast Asian Nations (ASEAN) and other multilateral forums such as the ASEAN Regional Forum (ARF), the East Asia Summit (EAS), the Asia Cooperation Dialogue (ACD), the Mekong-Ganga Cooperation (MGC), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), and the Indian Ocean Rim Association (IORA) are other principal aspects of India's "Act East" policy. What is important to note that India factors the maritime domain as one of the important aspects of its "Act East" policy, and hence, a growing interest towards the "Pacific Ocean" is clearly visible on India's part, especially from June 2014 onwards.

Dedicating the naval craft INS Vikramaditya to the nation, Prime Minister Modi contextualised the operational history of Indian Navy as key to securing India's "maritime trading interests". He emphasised India's growth story as being linked to India's maritime security and said that it was necessary that India secure and keep the sea-lanes open to improve commerce.⁶ Therefore, the importance of the Pacific Ocean needs to be understood in terms of India's rising commercial interests in the maritime domain, particularly in the Indo-Pacific. More than this, New Delhi's growing trust towards the Pacific Ocean is a reflection of four issues: securing sea-lanes of communications (SLOCs); growing Chinese adventurism in the Indian Ocean; the American Indo-Pacific strategy or the previously "pivot to Asia" strategy; and, more importantly, India's growing ambition as a power in the Indo-Pacific region. These issues are inter-linked and instrumental for India's growing exposure to the Pacific Ocean. Furthermore, an assessment of India's increasing adherence to the Indo-Pacific security balance, previously termed Asia-Pacific security calculus, explains New Delhi's growing interests in the Pacific Ocean.

Delhi, 2015, pp. 213-229.

⁶ Narendra Modi, "PM dedicates INS Vikramaditya to the nation", 14 June 2014; A. Aneja, "Secure sea lanes can drive India's growth story: Modi", *The Hindu*, 14 June 2014.

The United States has termed India as a partner in its previous “pivot to Asia” strategy and in its current “Indo-Pacific” strategy. US President Donald Trump’s 2017 National Security Strategy viewed India as a “leading global power” in the Indo-Pacific⁷. Even the US Pacific Command has been renamed as the US Indo-Pacific Command, symbolising India’s centrality in its greater Indian Ocean Strategy. The renaming exercise was not to downscale the importance of Pacific Ocean; rather, the US sought to establish strategic compatibility with the changing maritime environment by assigning more significance to India. A corollary of this is aptly noticed in India-US 2+2 dialogue *Joint Statement* which states how both sides are aiming to “work collectively with other partner countries” in the Indo-Pacific and beyond⁸. This is one factor that is currently encouraging India to show more interest towards the Pacific Ocean while upgrading its Indian Ocean maritime presence.

Fundamentally speaking, New Delhi visualises the “Pacific Ocean” as an extension of India’s security calculus in protecting the IOR environment. The importance of the Pacific Ocean and the PICs are growing in India’s maritime outreach – partly due to India’s drive to extend maritime outreach to the Pacific Ocean and partly due to its growing diplomatic engagement amidst the increasing presence of other major powers in the PICs. Though India’s naval adventurism in the Pacific Ocean is still negligible compared to its naval presence in the Indian Ocean, a new mode of engagement seems to emerge in the Pacific world where India aims to establish a maritime link with its “Act East” policy through trade and economy, infrastructure and security. In fact, to further enrich its “Act East”, Prime Minister Narendra Modi visited Fiji, considered as a gateway nation for India to the PICs, in November 2014.

⁷ White House, *National Security Strategy of the United States of America*, December 2017.

⁸ *Joint Statement on the Inaugural India-US 2+2 Ministerial Dialogue*, Press Information Bureau, Ministry of Defence, Government of India, 6 September 2018, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=183300>

With its large Indian-origin population, Fiji has always been a preferred country for India's diplomatic and political outreach. Although India's diplomatic and official contacts with the PICs have a long history (Table 1), Modi's visit to Fiji was still significant since it was the first visit by an Indian Prime Minister after 31 years.

TABLE 1 - INDIA'S DIPLOMATIC TIES WITH PACIFIC ISLAND COUNTRIES

PICs	Year of establishment of diplomatic/official ties	Indian mission/ Concurrently Accredited	Indian Prime Minister at the time
Fiji	1948/1970/1999	High Commission of India (HCI), Suva, Fiji	Jawaharlal Nehru/ Indira Gandhi/ Atal Bihari Vajpayee
Samoa	1970	HCI, Wellington, New Zealand	Indira Gandhi
Tonga	1970	HCI, Suva, Fiji	Indira Gandhi
Papua New Guinea (PNG)	1975	High Commission of India, Port Moresby, PNG	Indira Gandhi
Nauru	1975	HCI, Suva, Fiji	Indira Gandhi
Kiribati	1985	HCI, Suva, Fiji	Rajiv Gandhi
Vanuatu	1986	HCI, Suva, Fiji	Rajiv Gandhi
Solomon Islands	1987	HCI, Port Moresby, PNG	Rajiv Gandhi
Republic of Marshall Islands	1995	Indian Embassy, Tokyo, Japan	PV Narasimha Rao
Palau	1995	Indian Embassy, Manila, Philippines	PV Narasimha Rao
Federated States of Micronesia	1996	Indian Embassy, Manila, Philippines	HD Deve Gowda
Cook Islands	1998	HCI, Suva, Fiji	IK Gujral/ Atal Bihari Vajpayee
Tuvalu		HCI, Suva, Fiji	
Niue	2012	HCI, Wellington, New Zealand	Manmohan Singh

* India had a diplomatic presence in Fiji since 1948, when a Commissioner was appointed so that the affairs of Indians in the island could be catered to, even though it was still under British rule. After Fiji gained independence in 1970, India decided that instead of a Commissioner, the position in Fiji would be that of a High Commissioner. After a coup in 1987, the Indian High Commission was closed. It was reopened in 1999 and has been functioning uninterrupted since.

Source: Ministry of External Affairs, Government of India, Government of Samoa.

Modi's visit revealed a far-reaching and mature foreign policy outreach, signifying a new trend of diplomacy⁹. Since then, a new and incremental mode of institutional, political, and cultural engagement is visible between India and the PICs.

An Emerging Security Actor

To India, the Pacific Ocean and PICs are significant for a number of reasons. *First*, the Pacific Ocean establishes a chain of strategic connections between the Malacca Strait, the South China Sea, and India's East. To India's concern, the Eastern Naval Fleet has limited outreach up to the Malacca Strait, which does not really cover the PICs¹⁰. India's maritime outreach is further limited since it does not have a permanent naval or military establishment either in the Pacific Ocean or in the PICs. What has however gradually drawn India's interest closer to the Pacific Ocean are a number of choke points that are strategically important on a global level. This approach is reflected in India's official release titled *Ensuring Secure Seas: Indian Maritime Security Strategy* [Ministry of Defence (Navy) 2015]¹¹, which states how Malacca and Singapore Straits, the Lombok Strait, and the Ombai and Wetar Straits are significant in establishing a link between the Indian Ocean and the Pacific Ocean. Among these three choke points, considered as a "dense shipping zone," the Malacca Strait is significant to India's strategic interests since more than 70,000 ships transit annually through this shipping zone¹². The Lombok Strait is seen as an "alternative passage" route for larger ship movements between the Indian Ocean and the Pacific Ocean whereas the Ombai

⁹ Shubham, "Why Narendra Modi's visit to Fiji is important", *One India News*, 18 November 2014.

¹⁰ B. Chandramohan, "India's Strategic Expansion in the Pacific Islands", *The Diplomat*, 13 June 2018.

¹¹ *Ensuring Secure Seas: Indian Maritime Security Strategy*, Indian Navy, Naval Strategic Publication (NSP) 1.2, October 2015.

¹² *Ibid.*

and Wetar Straits are known as transit routes for submarine movements¹³. Against this background, India has increasingly factored the PICs as an important aspect of the “Act East” policy and of its Indo-Pacific construct.

To India, a greater presence across the Malacca Strait is of utmost strategic significance. Upgrading its maritime presence there, not only in terms of a better patrolling across the shipping routes but also to keep a close eye on building “awareness” at the Western edge of the Malacca Strait, is an important element of India’s maritime approach¹⁴. The ultimate target behind that maritime upgrading is not only controlling but also dominating the Indian Ocean¹⁵. This target is closely associated with the rising Chinese presence in the IOR. From anti-piracy operations to submarines deployment in the Indian Ocean to the opening of a military base in Djibouti – these are just some of the features of the growing PLA Navy’s (PLAN) outreach in the Indian Ocean that has made India concerned¹⁶. To balance out this Chinese maritime adventurism, India has shown greater interest in the East Coast and in the Bay of Bengal areas. Developing new capabilities in the Andaman & Nicobar Islands and deploying P-8 to increase surveillance and strike capabilities are both steps in this regard¹⁷.

In the greater East Asian context, India has gradually enriched its defence partnerships with some of the Southeast Asian countries. Holding joint maritime exercises is one important feature of India’s strategic outreach in the region. India’s accession to the Sabang Port in Indonesia and the Changi naval base in Singapore are two clear examples of India’s efforts to expand its defence ties in Southeast Asia. Accession to the

¹³ Ibid.

¹⁴ A. Banerjee, “[Indian Navy looks to dominate Malacca Straits](#)”, *The Tribune*, 12 June 2017.

¹⁵ Ibid.

¹⁶ D. Brewster, “[India beefs up maritime surveillance near Malacca Strait](#)”, *The Interpreter*, 26 January 2016.

¹⁷ Ibid.

Sabang Port is a key development for India since it is located at the entrance of the Malacca Strait and offers a strategic advantage to India over Chinese maritime presence in the region. The INS Sumitra's recent visit to Sabang has certainly enhanced the image of the Indian Navy in Southeast Asia. India's growing maritime exposure in the Pacific world is further attested by the Indian Navy's aircraft, P81, crossing the International Date Line and covering the longest ferry distance from Guam to Hawaii and making history by being the first Indian aircraft to participate in the Rim of Pacific Multinational Naval Exercise (RIMPAC)¹⁸.

Above all, what has encouraged India to become attentive towards the Pacific Ocean is the intensity of conflict in the South China Sea. India is not a party to the dispute and has always stated that the South China Sea dispute should be resolved peacefully among the claimant countries through mechanism and instruments foreseen by international law. India's stated position is also to protect its commercial interests in the South China Sea and ensure "navigational freedom"¹⁹. However, other factors beyond the South China Sea dispute have encouraged India to pay closer attention to the Pacific Ocean. While China's increasing militarisation in the South China Sea is one factor, the growing importance of the South China Sea as a gateway for shipping in East Asia and the linkage between the Pacific and the Indian Ocean have obliged many countries including India to look at the Pacific Ocean afresh. It has significantly enhanced India's "strategic vision as a growing power" in terms of expanding the maritime security role and responsibility across the two Oceans – Pacific and Indian²⁰. As a result, India seems

¹⁸ A. Ghosh, "Indian Navy creates history, participates in RIMPAC exercise", *Democracy News Live*, 11 July 2018.

¹⁹ "Navigational freedom in South China Sea more important to India: Shivshankar Menon", *The Economic Times*, July 12, 2018.

²⁰ A. Singh, "Maritime Security Partner in the Indo-Pacific", in S.D. Muni and V. Chadha (eds.), *Asian Strategic Review 2015: India as a Security Provider*, Institute for Defence Studies and Analyses (IDSA) and Pentagon Press, New Delhi, 2015, p.

to be engaging in building its capacities in areas such as coastal surveillance and hydrographic surveys in the Pacific Ocean and with the PICs. In fact, not having a credible maritime or military establishment in the PICs has encouraged India to strive for a better strategic link between the two Oceans. This interest was aptly reflected in Prime Minister Narendra Modi's closing remarks at the Forum for India-Pacific Island Cooperation (FIPIC) Summit in Jaipur when he stated that "we also look forward to goodwill visits by Indian Navy to Pacific Islands"²¹. In order to enhance presence and build capacity, India is focusing more on the developmental aspect of India's strategic connection with the Pacific Ocean and PICs, particularly through healthcare facilities, forest management, better management of the fishing zones, coastal and ocean studies, disaster management support, etc.

From a larger context, one of the most significant features of India's "Act East" policy is New Delhi's progression as an emerging security actor in East Asia. Though the PICs are not necessarily clubbed under the geographic purview of East Asia, still the Indo-Pacific construct has established a strategic connection between Southeast Asia, East Asia, and the Pacific Ocean. India views this evolving context as a relevant phenomenon for its outreach in the Indian Ocean and the PICs. This was again aptly noted in Prime Minister Modi's inaugural speech at the FIPIC Summit in Jaipur on 21 August 2015, where he highlighted how the Pacific and Indian Ocean had become the "centre of gravity" and the "fortunes of nations in and around the two oceans are inter-linked"²². In other words, India envisions the Pacific Ocean to be as relevant to India's strategic interests as the Indian Ocean. As a result, one can observe India expanding

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²¹ *Text of PM's closing remarks at Forum for India Pacific Island Countries (FIPIC) Summit*, Jaipur, Press Information Bureau, Prime Minister's Office, Government of India, 21 August 2015.

²² *PM's opening remarks at Forum for India Pacific Island Countries (FIPIC) Summit*, Jaipur, 21 August 2015.

its maritime and security outreach towards the Pacific Ocean even though it is still in its nascent stage.

Holding defence and naval officers' meetings with the PICs, training personnel from the PICs, and building security outreach capacities in the South China Sea zone are key trademarks of this Indian growing security outreach. For instance, New Delhi has trained a number of Tongan defence personnel in different training institutes in India²³. The visit of different naval ships to the PICs has been another appealing aspect of India's growing maritime and security outreach towards the region. The visit of the INS Sumitra to Fiji in October 2016, the INS Satpura's visit to the Republic of Marshall Islands in August 2016, the INS Satpura's visit to the Federated States of Micronesia, the INS Tabar's visit to Tonga in July 2006, and the INS Tarangini's visit to Samoa in January 2004 exemplifies India's interest in emerging as a better maritime security actor in the Pacific Ocean, especially among the PICs. India's role in East Asia encompasses building-up its own presence and capacities across defence, maritime, economic, and political contacts. New Delhi is keen to build the image and hold the responsibility of a security actor and partner rather than a security provider at present. Apart from a leadership vision, a security provider necessarily needs a stronger security presence all the time. To attain this status of security provider, an incremental approach is noticeable on India's part to gradually enhance its maritime and security presence in the PICs.

Enhancing the Indo-Pacific Relationship Character

The Pacific Ocean has an important role in India's Indo-Pacific construct. Prime Minister Narendra Modi highlighted its centrality in his speech at the Shangri-La Dialogue on 1 June 2018, where he described how the Malacca Strait and the South China

²³ "[India-Tonga Relations](#)", Ministry of External Affairs, Government of India, December 2014.

Sea connect India to the Pacific world, particularly with the ASEAN countries, Japan, the Republic of Korea, China, and the Americas²⁴. In other words, the Indian outlook towards the “Pacific Ocean” is an important aspect of India’s growing exposure on the Indo-Pacific, which is based on a “Continental Connect” perspective. ASEAN, Southeast Asia, and the Indian Ocean are all undeniably important to India’s Indo-Pacific outlook. Equally emerging as important is the Pacific Ocean, along with the PICs, which not only enhances India’s “Act East” policy but also offers greater support to India’s positioning as a growing power, primarily as an economic and maritime power. Former Indian President Pranab Mukherjee’s speech on 20 August 2015, further strengthen this concept, stating that “India views its economic linkages and cooperation with the Pacific Island Countries as an ‘extension of India’s ‘Act East’ policy”²⁵. This Indian perspective not only is based on the bilateral turf of India’s relations with the PICs but also aims at greater economic and strategic cooperation in areas unexplored before.

Besides, the need to improve the growing connectivity between the Indian and the Pacific Oceans and the renaming of the US Pacific Command into Indo-Pacific Command by the US²⁶ is encouraging India to attach increasing importance to the Pacific Ocean. In other words, India foresees the PICs and the Pacific Ocean as an extension of its “Act East” policy to have a greater economic outreach in the rapidly evolving trading environment in the Indo-Pacific region. India anticipates that the Pacific Ocean and the PICs will witness greater presence of commercial and military maritime traffic, especially by major powers, in the wake of the conclusion of the Regional Comprehensive Economic Partnership (RCEP) negotiation

²⁴ *Prime Minister’s Keynote Address at Shangri La Dialogue...*, cit.

²⁵ “Pacific Island countries are a key factor in India’s extended ‘Act East’ policy, says President”, Press Information Bureau, President’s Office, Government of India, 20 August 2018.

²⁶ T. Copp, “INDOPACOM, it is: US Pacific Command gets renamed”, *Military Times*, 30 May 2018.

and the Trans-Pacific Partnership (TPP-11). India is not a part of the TPP-11 and hence, cannot expect this model to create an optimistic economic environment in India's favour in the region. That is not the case with the RCEP, which is the arch of East Asian economic environment. India has been an integral part of the RCEP negotiations from the beginning which is aligned with India's "Act East" policy. Aligning economically more closely with Australia and New Zealand, the two main countries across the Pacific and also ASEAN dialogue partners, is another prime objective of India. The objective is to bridge the gap of India's economic outreach and try to establish a strategic connection between the ASEAN and the PICs.

One of the principal modes of interaction between India and the PICs in recent years is India seeking to institutionalise its foothold within the region. The Pacific has not really figured as a significance strategic region for India's regional framework until recently. China's growing foreign policy outreach in the region have encouraged many countries in the world to focus on the Pacific Ocean and on the PICs, including India. Besides, the growing significance of the PICs in world politics have encouraged India to see the region more intently. As a result, India has started an engagement policy through the Pacific Islands Forum (PIF), the Secretariat of the Pacific Community (SPC), the Pacific Islands Development Forum (PIDF), and the Asia-Pacific Economic Cooperation (APEC)²⁷. India is a dialogue partner at the PIF and an observer member at the APEC. In fact, India's attempt to become a member of the APEC is a two-decade long affair through which New Delhi is continuously trying to institutionalise its relationship with the Pacific economies. India's application for APEC membership was not successful in both 1997 and 2007 when the discussion over inclusion of new members to the APEC was high on the agenda²⁸.

²⁷ B. Balakrishnan, "India's Engagement with the Pacific Islands", *Indian Foreign Affairs Journal*, vol. 10, no. 4, October/December 2015, p. 357.

²⁸ J.P. Panda, "Beijing's APEC Call on India: A New Twist in India-China Power Politics?", *IDSIA Issue Brief*, 5 August 2014.

The 1990s, India was denied APEC membership on the account that its economy was neither competitive enough nor integrated into the global economic system. Besides, India did not pursue the APEC membership seriously due to its frequently changing governments²⁹. Now, with New Delhi's observer status within the APEC, India's prospect for APEC membership has grown considerably. With the Indian economy growing and becoming more open and free for trade and investment, New Delhi envisions greater involvement with the economies of the Asia-Pacific. Even though Asia-Pacific as a geopolitical construct is fast becoming secondary to the Indo-Pacific construct, India is still pursuing stronger ties with the Asia-Pacific, through ASEAN, RCEP, ARF, ADMM+, etc. Rather, India's role and prominence is evidently becoming more institutionalised within and outside its "Act East" policy. To further enhance this process, the Indian government has encouraged a new regional approach – carry forward trade and investment engagement and infrastructure development with a range of countries in both its immediate and extended neighbourhood, including countries from the Pacific Ocean region. A reflection of this is the Forum for FIPIC.

The inaugural FIPIC summit was held in Suva, Fiji in November 2014 while the second FIPIC was held in Jaipur in August 2015. This forum has not only institutionalised the relationship between India and the Pacific Island Countries but has also strengthened the scope of cooperation and dialogue and has offered a formal context to expedite exchanges between the two sides: a clear objective put forward by the Indian leadership³⁰. India's growing tryst with the PICs and the FIPIC em-

²⁹ T. Chakraborty and M. Chakraborty, "India and the Asia Pacific Region: Dilemma of a Changing APEC Mindset", *Asia-Pacific Journal of Social Sciences*, Special Issue, no. 1, December 2010, p. 8.

³⁰ *President of India's message on the occasion of constitution day of Marshall Islands*, Press Information Bureau, President's Secretariat, Government of India, 1 May 2017. Also see, *Text of PM's closing remarks at Forum for India Pacific Island Countries (FIPIC) Summit, Jaipur*, Press Information Bureau, Prime Minister's Office, Government

phasised the “new thrust” of India’s diplomacy that takes on board both the smaller and major powers together³¹.

A closer assessment of the two FIPIC summits indicates how India’s relationship with the PICs is becoming more versatile and systematic. In this regard, a number of patterns have already emerged. *First*, FIPIC has been instrumental in creating a platform for intellectual exchange between India and the PICs. The India-Pacific Islands Sustainable Development Conference is the finest example of this. This conference addressed issues such as health, disaster management, climate change, International Solar Alliance (ISA), and blue economy³². What is, however, important is that this conference facilitates the exchange of knowledge and experience and takes forward public-private partnerships between India and the participating island countries from the Pacific.

Second, both the FIPIC and the India-Pacific Islands Sustainable Development Conference promote dialogue between Indian governing bodies and research institutes with the PICs institutions and bodies. The prime aim behind this type of cooperation is to enhance a specific level of cooperation in three sectors: *knowledge sharing, technology sharing, and capacity building*³³. The setting up of the FIPIC Trade Office in New Delhi at the Federation of Indian Chambers of Commerce & Industry (FICCI) is an important step to further trade contacts between India and the PICs. The India-Pacific Islands Sustainable Development Conference, held on 25-26 May 2017 in Suva, Fiji, reflects India’s commitment to creating “sustainable partnerships”. The conference aimed at enhancing people-to-people

of India, 21 August 2015.

³¹ “A Year of Smart Diplomacy: Milestones 2015”, *Year End Review 2015*, Press Information Bureau, Ministry of External Affairs, Government of India, 22 December 2015.

³² *India-Pacific Islands Sustainable Development Conference to enhance cooperation between India and Pacific Island Countries*, Ministry of External Affairs, Government of India, 12 May 2017.

³³ *Inauguration of India-Pacific Islands Sustainable Development Conference*, Ministry of External Affairs, Government of India, 25 May 2017.

dialogue and promote understanding of key issues related to the environment, climate change, disaster management, and regional cooperation. Importantly, India announced a US\$1 million trust fund for Fiji's Presidency on COP-23. Besides, India has signed several Memorandums of Understanding (MoUs) to promote sustainable development and scientific and economic cooperation with the PICs, including the setup of Centers of Excellence in Information Technology (CEIT). With Fiji, India has signed MoUs in the areas of youth development and renewable agency and to enhance cooperation in broadcasting agencies. Sharing technology, sharing knowledge, and building capacity to address non-traditional security threats (NTS) are thus prominent in India's outreach efforts towards the region.

What is important to note is that these growing institutional contacts between India and the PICs are not being established in isolation. Growing frequency of political and institutional contacts (Table 1) and India's developmental approach towards the PICs (Table 2) are two significant aspects of India's regional approach. Although political contacts between them may be traced back to India's post-independence strategy³⁴, in recent years the Indian leadership has shown a new interest towards the Island countries, and their visits seem to have established a new Indian confidence at the regional level. Since 2014, at least nine PICs have been visited by the Indian political leaders (Table 3).

³⁴ Bhaskar Balakrishnan was India's former Ambassador to Greece and Cuba. In the article "India's Engagement with the Pacific Islands" in *Indian Foreign Affairs Journal*, he writes that the special linkage with Fiji was evidenced during the British rule in India. However, India's formal interactions with the PICs started in post-independence when Indian workers were brought to Fiji to work on sugarcane plantations. B. Balakrishnan, "India's Engagement with the Pacific Islands", *Indian Foreign Affairs Journal*, vol. 10, no. 4, October/December 2015, pp. 355-357.

TABLE 2 - INDIA'S MAJOR DEVELOPMENT INITIATIVES IN PACIFIC ISLAND COUNTRIES (2004-2018)

Trade and commerce

- July 2005: India extended \$50.4 million line of credit to Fiji for their sugar industries.
- 2009: Federated States of Micronesia was given US\$73,145 for its coconut industry.
- 2011: Federated States of Micronesia granted US\$100,000 for use in coconut industry.
- April 2012: Agriculture Minister Sharad Pawar offered to assist Fiji in horticulture, rice and sugar.
- November 2012: High Commission of India showcased 'India's investment and trade potential' in Papua New Guinea.
- November 2014: PM Narendra Modi extended a line of credit to Fiji worth US\$70 million for a power plant, US\$5 million fund for small scale enterprises and further collaboration in agricultural sectors.
- August 2015: PM Narendra Modi declared assistance to MSMEs at the FIPIC summit in Jaipur.
- June 2016: India provided US\$2.2 million for the development of Small and Medium Enterprises to Fiji.
- April 2016: President Pranab Mukherjee offered Papua New Guinea a US\$100 million line of credit for infrastructure.
- March 2017: Air Services agreement signed so as to enhance connectivity between India and Fiji.
- June 2018: MoS (Health) Ashwini Kumar Choubey gave US\$50,000 to Tuvalu as part of development aid.

Defence / Maritime

- January 2004: INS Tarangini, a training ship of the Indian Navy, visited Samoa.
- July 2006: INS Tabar visited Tonga, which was visited by Tonga's Prime Minister and Cabinet Ministers.
- 2016: INS Satpura visited the Federated States of Micronesia and naval officers held meetings.
- August 2016: INS Satpura visited Republic of Marshall Islands and met with local dignitaries.
- October 2016: INS Sumitra visited Fiji on 26 October for agricultural purposes.
- 2017: 30 members of Tongan defence service have been trained since 2011.

Science and Technology

- July 2014: Tonga given \$300,000 for setting up a Tsunami Alert System.
- October 2014: Tonga given \$115,000 for information and communication technology.
- November 2014: Indian Technical and Economic Cooperation (ITEC) personnel to be sent for aid in health, information technology to PICs.

- September 2015: Tonga given \$71,627 to build up capacity to guard against illegal transmissions.
- 2015: 300 citizens of Papua New Guinea have received technical training under the ITEC program.
- August 2015: PM Modi declared doubling ITEC seats for 13 PICs (Fiji has 110), electrifying 200 homes through solar technology, training 70 women engineers in solar, setting up an IT lab in every PIC.
- 2016: 87 Fijians were trained by ITEC during the financial year 2016-17.
- January 2017: India provided Niue with \$910,700 towards setting up a 4G network on the island.
- 2017: 21 people from Kiribati have been trained by ITEC since 2011.
- 2017: 20 seats were offered to Samoa for ITEC training during the year 2017-18 while 15 were trained in 2016.

Space

- November 2014: Collaboration in space technology for better communication facilities and to improve the economy, monitor environmental changes and aid government policies in PICs.
- August 2015: Establishment of Space Technology Applications Centre for region-wide training.

Education

- 2007: Nauru given vehicles for use by school-going children.
- 2008: US\$100,000 given to Nauru to hire teachers.
- 2010: Cook Islands given US\$60,000 to improve facilities in educational institutions.
- 2012: Declaration of 75 seats for technical cooperation, 25 scholarships, 53 openings for training programs for Navy and defence personnel (10).
- 2013: Five students from Tuvalu were awarded ICCR scholarship, same as 2012.
- November 2014: PM Narendra Modi announced tele-education projects across PICs.
- August 2015: Establishing an Institute for Sustainable Coastal and Ocean Research besides Marine Biology Research Stations and providing scholarships for college students.
- 2017: 30 scholarships were on offer to Fijian students during the year.
- 2017: A centre for excellence in information technology (CEIT) is being set up at National University of Samoa.

Culture

- July 2012: Indian Cultural Centre in Fiji sent a team of five to participate in the annual Heilala festival, Tonga.
- June 2013: Indian Film Festival organised by the High Commission of India in Papua New Guinea.
- November 2014: PM Modi during his visit to Fiji announced efforts to increase shooting of Indian movies in Fiji.
- 2016: India has worked in collaboration to organise International Film Festival in Fiji annually since 2012.
- 2017: Cultural groups have visited Nauru annually since 2015 showcasing Indian culture and traditions.
- June 2017: International Yoga Day organised in Fiji, Papua New Guinea, Cook Islands, Kiribati, Nauru, Tonga, Tuvalu and Palau.
- October 2017: Festival of India held in Tonga, Tuvalu, Fiji, Kiribati, Cook Islands, Nauru and Vanuatu to promote Indian culture showcasing its food, music, dance and languages.
- 2017: Seven Fijians have been awarded the Pravasi Bhartiya Samman since 2004.

Grant-in-Aid/Humanitarian

- April 2007: Solomon Islands was given humanitarian assistance of US\$100,000 for victims of the Tsunami.
- 2009: Assisted Fiji with US\$100,000 in aid to help it deal with relief efforts after the cyclone.
- March 2010: India sent humanitarian aid worth \$100,000 to Fiji to deal with aftermath of cyclone Tomas.
- September 2011: MOS (EA) Preet Kaur offered US\$200,000 for improvement of healthcare facilities locally in Fiji.
- 2011: Since 2006, large portions of grant-in-aid has been utilised for provision of health facilities in Samoa.
- February 2012: Tuvalu given US\$100,000 to deal with drought.
- December 2012: US\$134,502 given to Kiribati to improve healthcare facilities.
- March 2013: India provided US\$100,000 to help Fiji with relief and rehabilitation after cyclone Evan.
- 2013: India have given US\$399,639 since 2008 for various infrastructure and other projects in Niue.
- March 2015: Aid of US\$250,000 given as aid for cyclone relief to Vanuatu.
- 2016: India contributed US\$100,000 towards relief efforts after cyclone Winston and supplied aid valued at \$ 3 million.
- October 2016: MoS Piyush Goyal visited Solomon Islands and proposed assistance in the field of renewable energy.
- March 2017: Cook Islands given US\$690,846 for community development efforts.
- May 2017: Grant-in-aid of over US\$750,000 given to Republic of Marshall Islands since 2008 for use in local development, renewable energy, communication and policy implementation.
- February 2018: US\$1 million granted to Tonga to handle relief operations after cyclone Gita.

Region-Wide Development Initiatives

- June 2014: US\$167,610 given to Palau as a help as it hosted the Pacific Island Forum meeting.
 - September 2014: Funds approved for improving facilities in hospital in Tuvalu.
 - November 2014: Increase in grant-in-aids to all PICs to US\$200,000 (to be rolled over), Special Adaptation Fund of US\$1 million, a trade office to be set up in India for the countries, training diplomats, improving healthcare facilities.
 - August 2015: PM Modi declared at the FIPIC summit that diplomat training will be made more comprehensive.
 - October 2016: MoS (Power, Coal, New & Renewable Energy and Mines) Piyush Goyal gave US\$190,000 for schools in Vanuatu. Under the same annual grant of US\$200,000, Vanuatu will be sent energy efficient equipment.
 - 2017: India is looking to further aid and cooperation in areas of health (tele-medicine and pharmaceutical sector) and sending IT experts to PICs for project implementation and training.
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Source: Ministry of External Affairs, Government of India, Press Information Bureau, Indian Navy

TABLE 3 - VISITS OF INDIAN LEADERS AND DIGNITARIES TO PACIFIC ISLAND COUNTRIES (2006-2018)

PICs	Year	Name of dignitaries / leaders	Agreements Signed / MoUs	Outcome
Fiji	2006	MOS (EA) E Ahamed	Development Cooperation Agreement	Target: defence, agriculture, IT, trade, tourism and investment.
	2011	MOS (EA) Preneet Kaur		US\$200,000 grant for CWM Hospital and EVMs.
	2014	PM Narendra Modi	MoUs on Extending a Line of Credit for a Co-Generation Plant, engage in diplomat training and earmarking potential diplomatic missions.	Forum for India-Pacific Islands cooperation. Funding from India increased by \$ 5 million.
	2017	MOS (EA) Gen V. K. Singh	MoUs to set up Centres of Excellence in Information Technology with Fiji, Cook Islands, Nauru, Samoa and Niue. Bilateral MoUs with Fiji for Co-operation in youth development, renewable energy and media.	The India-Pacific Islands Sustainable Development Conference, the International Solar Alliance and support for India's candidature to International Tribunal for the Law of the Sea and International Law Commission.
	2018	MOS (HRD) Satya Pal Singh	--	Attended 20th Conference of the Commonwealth Education Ministers. Invited Fijian PM to attend the Solar Summit in the Indian capital.
Republic of Marshal Islands	2018	MOS (HRD) Upendra Kushwaha	A grant worth \$ 300,000 was given for a local government project regarding water and sanitation.	Support for India's candidature for permanent seat at UNSC and cooperation in blue economy, climate change, energy, disaster management.

Nauru	2018	MOS (Defence) Subhash Bhamre	--	India offered 22 Mahindra SUVs and two buses worth \$ 706,000. Cooperated in energy, infrastructure, climate change and education.
Papua New Guinea	2016	President Pranab Mukherjee	Four MoUs signed: Agriculture Research Cooperation between University of Technology and Indian Council for Agricultural Research, Cooperation in the Health Sector, \$100 million Indian Line of Credit for Development of Infrastructure in PNG and Setting up a Centre of Excellence in IT by India in PNG.	Indian tourists to be given visa on arrival. The Bilateral Investment Promotion and Protection Agreement to be finalised soon. India will provide Anti Retro Viral drugs to help treat HIV patients in Papua New Guinea.
Federated States of Micronesia	2017	MOS (Ministry of Science and Technology) Y. S. Chowdary	--	Supported India's candidature for permanent status at UNSC.
Niue	--	--	--	--
Palau	2017	MOS (Ministry of Science and Technology) YK Chowdary	--	Attended swearing in ceremony of president Tommy Esang Remengesau.
Cook Islands	2012	MOS (EA) E Ahamed	--	24th Post Forum Dialogue Partners Meeting.
Samoa	2012	Indian state assembly delegations	--	23rd Commonwealth Parliamentary Seminar.
	2018	MoS (Tribal Affairs) JS Bhabhor	--	Met PM and president of Samoa to discuss bilateral relations.

Solomon Islands	--	--		--
	2007	MOS (EA) E Ahamed	--	Post Forum Dialogue Partners' Meeting
Tonga	2012	Lok Sabha Speaker Meira Kumar	--	Commonwealth Parliamentary Assembly Mid-Year Executive Committee Meeting.
	2010	MOS (EA) Preneet Kaur	--	Pacific Islands Forum Dialogue meeting.
Vanuatu	2016	MOS for Power, Coal, Renewable Energy and Mines	MoU on Establishing India-Vanuatu Centre of Excellence in IT	US\$190,000 given to Vanuatu to set up Information technology in schools. Energy efficient equipment will be supplied by India around to US\$200,000.
Tuvalu	2018	MOS (Health) Ashwini Kumar Choubey	---	Gave US\$50,000 for development aid. Cooperation in matters of healthcare sector, energy, education, information technology was discussed.

Sources: From various open sources such as Press Bureau of India, Ministry of External Affairs (MEA) of Government of India etc.

There is an upswing in India's cultural diplomacy with the PICs. Nevertheless, Prime Minister Modi's visit to Fiji in 2014 and India's historical and special contacts in recent years with Fiji have been the backbone of this political narrative. Seen as part of India's "Pacific bonding", Fiji has been the strongest linkage India had in the region, setting an example for other countries to view India as a strong developmental partner³⁵. Fiji has hosted a number of events for India, promoting the emerging bonding between India and the PICs. Importantly, New Delhi has seen Fiji as the "heart of the Pacific Ocean" and has recently decided to initiate a defence partnership. An MoU with Fiji in areas such as defence, disaster management, military training, and humanitarian assistance in May 2017 has strengthened the India-Fiji cooperation in security areas³⁶. What is important to note is also that Fiji's response to India has been equally warm. New Delhi is seen as a valued partner and India's growing emergence as a power in global affairs is acknowledged³⁷.

India's growing Pacific bonding seems promising and balanced between a New Delhi as a developmental actor and a supporter of an inclusive order in Indo-Pacific. To enrich India's outreach and posture as a power, the target is to address the "diplomacy deficit" in the PICs³⁸. What is more important to note is India's interest to include the PICs as global partners in international affairs such as climate change and the reform of the United Nations. On issues related to climate change, particularly on mitigation and adaptation, India and the PICs may not be on the same side. This is aptly noticed in the official stance that "India and the Pacific Islands share similar challenges of climate change but also have great opportunities for cooperation in our development

³⁵ M. Chand, "India & Fiji: A Pacific Bonding", *Ministry of External Affairs: Government of India*, 18 November 2014.

³⁶ "India and Fiji Sign MoU on Defence Cooperation", Press Information Bureau, Ministry of Defence, Government of India, 29 May 2017.

³⁷ "Fiji Values Bilateral Relations With India-Koya", *Fiji First*, 29 November 2017.

³⁸ M. Chand, "India & Fiji: A Pacific Bonding", Ministry of External Affairs, Government of India, 18 November 2014.

efforts”³⁹. Factoring in both climate change and UN reform, Prime Minister Modi contextualised the relation between India and the PICs as a partnership of “shared aspirations and challenges”⁴⁰. One of the “shared aspirations” for both sides is to gain more prominence internationally, through a stronger position at the United Nations. To India, gaining the support of the PICs for permanent membership in the United Nations Security Council (UNSC) is an important strategic objective. An appeal to the PICs in this regard was made by Prime Minister Modi at the Jaipur FIPIC summit. In return, New Delhi expressed support for Pacific regionalism and offered to help for better and greater representation of the Small Island States in international fora, including the possibility of an expanded and reformed UNSC in both permanent and non-permanent categories.

Furthermore, visits by Indian leaders to the PICs have further highlighted New Delhi’s willingness to offer developmental assistance to those countries. This encompasses areas such as science and technology, space, education, culture, and humanitarian assistance. Developmental initiatives in science and technology and space are two main areas where India seems to be taking the lead. For instance, among its most ambitious initiatives, India has announced the establishment of a Space Technology Applications Centre (STAC) in one of the PICs and has offered support for training and development in space applications⁴¹. Collaboration in progressive areas such as solar technology, 4G networks, and the training of information technology (IT) specialists promotes India’s soft power standing as a developmental partner for the PICs. The increase of grants-in-aid from US\$125,000 to US\$200,000, the launch of special training programs for PICs diplomats, and the introduction of e-tourist visas to promote tourism contacts are important features of this engagement.

³⁹ Ibid.

⁴⁰ *PM’s opening remarks at Forum for India Pacific Island Countries (FIPIC) Summit, Jaipur...*, cit.

⁴¹ Ibid.

Conclusions

To sum up, India's exposure in the Pacific Ocean and to the PICs, while still nascent, is a subject matter of incremental engagement. The growing importance of the Pacific Ocean and the rising importance of the PICs in global affairs have certainly encouraged India to adopt a new approach towards the region. India's "Act East" policy seems to confirm that direction. What has also been an encouraging aspect for India to revitalise its relationship towards the PICs is the strategic complexity that the region offers in light of the current China-Taiwan dynamics. Taiwan's diplomatic ties with six of the Pacific countries and the earlier US "pivot to Asia" strategy had always encouraged Beijing to view the PICs more seriously. Chinese President Xi's intensive policy towards the Pacific islands is tilting the diplomatic game of tug-of-war between China and Taiwan in Beijing's favour where many Pacific Island Countries are reconsidering their ties with Taiwan.

Concerned about the rising Chinese outreach in the Pacific, Taiwan continues to float its own outreach through the support of like-minded partners such as Japan, the US, and Australia – the three key countries in Indo-Pacific. India is also a key economic partner for Taiwan in the Indo-Pacific. Taiwan-India scientific and economic cooperation has been progressing even though there is scope to further expand these contacts. The rise of the free and open Indo-Pacific (FOIP) construct and Taiwan's "New Southbound Policy" (NSP) is encouraging India to see both Taiwan and the PICs more intently in its "Act East" policy than before. In brief, India's incremental engagement towards the PICs and the Pacific Ocean points to the following: *first*, India's growing ambition as a maritime power, and its strategic vision to secure its maritime interests between the Pacific and Indian Ocean; *second*, India's growing outreach as a power beyond the immediate neighbourhood in the wake of its gradual developmental approach towards the PICs; and *third*, the enlarged scope

of India's "Act East" policy keeping in view India's growing Indo-Pacific outlook, with both the Pacific Ocean and PICs as necessary components.

5. Japan and the Indo-Pacific: Alive and Kicking

Axel Berkofsky

Tokyo's "Free and Open Indo-Pacific"

Japan arrived late in the Indo-Pacific, but eventually it did. And Japan's "Free and Open Indo-Pacific" (FOIP) concept is the core of Tokyo's strategy and policies in and towards the Indo-Pacific.

Japanese Prime Minister Shinzo Abe formally introduced the FOIP strategy on the occasion of the Fourth International Conference on African Development (TICAD IV) held in Nairobi in August 2016. Since then, the FOIP concept, Tokyo explains¹, has taken shape and has become a strategy Tokyo is investing enormous resources and capital into. Although Tokyo obviously does not admit to that, the FOIP is at least in part designed as competitor to Beijing's "Belt and Road Initiative" (BRI), enabling Tokyo to regain some of the economic and political clout lost over countries in East and Southeast Asia since Beijing announced the BRI in 2013. The main goal of Japan's

¹ Judging by the number of policy declarations, government-sponsored conferences, and workshops covering and dealing with Japanese security and defence policies in the Indo-Pacific, Tokyo assigns enormous importance to the policies in the region. There is no doubt that China's BRI and the massive investments accompanying it in the region have created a sense of urgency among Japanese policymakers to seek to catch up with Beijing and offer an alternative in terms of cooperation and investments to the developing countries in the region.

FOIP is to promote what is referred to as “connectivity” between Asia, the Middle East, and Africa. When policymakers and scholars talk about “connectivity” what they usually mean is, above all, expansion of trade and investment ties through improved infrastructural links.

Tokyo’s FOIP is complemented by the so-called “Quadrilateral Security Dialogue” (Quad), the Indo-Pacific security dialogue between Japan, Australia, India, and the United States. The Quad seeks to further enhance Japanese-Indian-Australian-US cooperation in the areas of maritime security, terrorism, and freedom of navigation and much of what the Quad countries jointly seek to achieve is also part of Tokyo’s FOIP. In the recent past, the four countries held talks on a rules- and norms-based order in the region, freedom of navigation, overflight rights, the rule of international connectivity, and maritime security. It emerged that while Japan and India – for obvious reasons related to Chinese territorial and maritime policies in Southeast and South Asia – emphasise issues such as freedom of navigation, respect for and compliance with international law, and maritime security, the US and Australia emphasise military security cooperation as their respective priorities.

Japan “focussing” on maritime security translates, among others, into the Japanese navy and coast, together with counterparts from the US, India, and Australia, contributing to US-led so-called freedom of navigation operations (FONOPs) and military exercises in the South China Sea. In August 2018, Tokyo deployed three warships to the South China Sea to hold joint military exercises with five Asian navies and the US from the end of August to October. The Japanese navy vessels made port calls in India, Sri Lanka, Singapore, Indonesia, and the Philippines and during the exercise linked up with the US Navy deployed in the region². While announcing the deployment of the vessels in August 2018, Tokyo also announced the will to

² See J. Johnson, “Japan to Send Helicopter Destroyer for Rare Long-Term Exercise in South China Sea and Indian Ocean”, *Japan Times*, 22 August 2018.

strengthen Sri Lanka's maritime security capabilities by donating two coast guard patrol crafts to the South Asian country³.

In September 2018 then, a Japanese submarine joined for the first time a naval military exercise in the South China Sea in disputed territorial waters (claimed above all by China as part of what Beijing insists is part of the Chinese national territory). At the time, the Japanese submarine was accompanied by other Japanese warships, including the Kaga helicopter carrier⁴.

Cooperating with Europe and the EU in the form of what is referred to as “Quad plus” in the Indian Ocean region has also been thought and talked about in Tokyo in the recent past. However, while Tokyo undoubtedly welcomes European support for Japanese FOIP policies – including through naval patrolling in the South China Sea – European involvement will – at least for the time being – be limited to France and the UK making tangible contributions. For starters, many of the European naval forces – with the notable exceptions of France and the UK – simply do not have the naval capabilities to get engaged in patrolling activities far away from home. Furthermore, there is very little appetite in Brussels and among EU policymakers for increasing European involvement in Asian security through naval patrolling in Asian territorial waters⁵. However, in view of Chinese territorial expansion in the South China Sea in complete disregard and dismissal of international law – displayed by the construction of civilian and military facilities in disputed islands over there – the EU insistence in not wanting to take sides in Asian territorial disputes (including

³ Ibid.

⁴ See e.g. “[Japanese Submarine Conducts First Drills in South China Sea](#)”, Reuters, 17 September 2018.

⁵ European politicians and EU officials essentially fear Chinese economic and political repercussions should Europe “dare” to increase its current involvement in Asian territorial disputes involving China. The EU’s “current involvement” is in essence limited to “urging all parties to solve territorial disputes peacefully”. A formula that is reiterated in every EU statement or declarations commenting in territorial disputes in Asia.

the ones in the China Sea involving China) certainly does not add to the credibility of the EU as foreign and security policy-maker with global reach, including in Asia. Europe has enormous economic and trade interests in Asia and defending a rules-based maritime order (which China violates in the South China Sea) should indeed be part of EU/European foreign and security policy conduct in Asia. Either way, Tokyo will probably continue investing resources and political capital into seeking to get additional like-minded partner countries and partners to join its FOIP's policy vision and strategy of a free, open, and rules-based Indo-Pacific region. The UK, Canada, France, and Singapore – and also Vietnam – are at times cited as those like-minded countries.

“Quality Infrastructure”

According to the Asian Development Bank, it is estimated that developing Asia needs about US\$26 trillion in infrastructure investment from 2016 to 2030⁶. This is where Japan comes in, making a very significant contribution. At the core of Japan's above-mentioned FOIP is what Tokyo calls ‘quality infrastructure’, i.e. infrastructure development projects funded or co-funded by Japan in Asia and Africa. In May 2015, Prime Minister Abe announced a “Partnership for Quality Infrastructure”, initially providing US\$110 billion for financing the construction of roads, railways, and ports in Asia⁷. The “Partnership for Quality Infrastructure” initiative foresees infrastructure spending over five years.

Tokyo's “Quality Infrastructure” is, at least on paper, the very opposite of China's approach towards funding infrastructure

⁶ See J. Sugihara, “US, Japan and Australia team on financing Indo-Pacific Infrastructure”, *Nikkei Asian Review*, 11 November 2018.

⁷ See M.P. Goodman, “An Uneasy Japan Steps Up”, *Global Economics Monthly*, Center for Strategic & International Studies (CSIS), Washington DC, vol. VII, no. 4, April 2018.

projects in Asia and Africa. Chinese infrastructure development policies, be it within or outside the BRI framework, are (very) often criticised for lacking transparency and being non-sustainable and exclusive. Exclusive in the sense that Chinese companies build infrastructure on a sole-source basis and claim exclusive access to the infrastructure built for itself. Furthermore, many recipients of Chinese funds – above all the poorer developing countries in South Asia such as Pakistan, Bangladesh, or Sri Lanka – are feared to get caught in so-called “debt traps”: China is giving out loans to those countries knowing that they will never be able to repay them. This inevitably creates political dependencies and has enabled Beijing to oblige the above-mentioned and other countries to grant China concessions, including of territorial nature.

Japan has more than once (indeed very often) pointed out that its approach towards infrastructure development policies aimed at increasing “connectivity” is fundamentally different from the Chinese infrastructure development approach applied in the BRI context. In 2016, Japan put that on paper. On the occasion of the G7 summit in Japan in 2016, Tokyo announced the five principles guiding its “Quality Infrastructure” projects: 1) Ensuring effective governance, reliable operation and economic efficiency in view of life-cycle cost as well as safety and resilience against natural disaster, terrorism and cyber-attack risks; 2) Ensuring job creation, capacity building and transfer of expertise and know-how for local communities; 3) Addressing social and environmental impacts; 4) Ensuring alignment with economic and development strategies including aspect of climate change and environment at the national and regional levels; 5) Enhancing effective resource mobilisation including through PPP⁸.

In 2016, Tokyo decided to expand the “Partnership for Quality Infrastructure” initiative to US\$200 billion by including

⁸ G7 Ise-Shima Principles For Promoting Quality Infrastructure Investment, Ministry of Foreign Affairs Japan (MOFA), <https://www.mofa.go.jp/files/000196472.pdf>.

Africa and the South Pacific. Envisioned and ongoing investments include: 1. Nacala, Mozambique, where Japan is financing the construction of port with US\$320 million; 2. Mombasa, Kenya, where Tokyo is funding port and related infrastructure with US\$300 million; 3. Toamasina, Madagascar, where Tokyo is funding a port with US\$400 million; 4. Mumbai, India, where Tokyo is funding a trans-harbour link with US\$2.2 billion; 5. Matarbari, Bangladesh, where the Japanese government is funding a port and power station with US\$3.7 billion; 6. Yangon, Myanmar, with Tokyo funding a container terminal with US\$200 million); and 7. Dawei, Myanmar, where Tokyo is financing a port and special economic zone with US\$800 million.

Other Japanese “Quality Infrastructure” projects are:

1. The Mombasa container port development project in Kenya. In October 2017, The Japan International Cooperation Agency (JICA⁹) signed a US\$340 million loan agreement with the Kenyan government for the construction of a second container terminal in Mombasa. Mombasa port is the largest in East Africa, and Tokyo has granted the Kenyan government a 40-year repayment period at an interest rate of 0.2%.
2. The funding of the construction of the Mumbai-Ahmedabad high-speed rail corridor¹⁰. Japan is funding 80% of the Mumbai-Ahmedabad bullet train¹¹ project through a soft loan of roughly 8 billion at an interest rate of 0.1%, with a tenure stretching over 50 years and a moratorium period of 15 years.
3. Japanese investments in the Thilawa Special Economic Zone (SEZ) in Myanmar/Burma. In August 2017, the JICA signed a loan agreement with the Myanmar Japan Thilawa Development Ltd (MJTD)¹².

⁹ Japan’s development agency affiliated with the Ministry of Foreign Affairs.

¹⁰ See “Japan Dedicated to Making Indian Shinkansen a Reality”, *The Economic Times*, 9 November 2018.

¹¹ The Japanese bullet train Shinkansen.

¹² See Press Release Japan International Cooperation Agency (JICA), 17 August

4. A US\$300m gas-fired power station in Tanzania. The fourth project covers Japanese assistance to construct a gas-fired power station in Tanzania that will increase the country's generating capacity by 15%. The work is conducted by Japan's Sumitomo Corporation, Mitsubishi Hitachi Power Systems, and Toshiba Plant Systems and Services.

In Southeast Asia, Tokyo is funding roads and highways in Cambodia, Laos, and Vietnam and is assisting the development of Cambodia's Sihanoukville port and the construction of railway lines in Thailand (from Bangkok to Chiang Mai) and the seaside resort town of Hua Hin. In 2016, Tokyo launched the Japan-Mekong Connectivity Initiative, which funds the establishment of the trade-promoting East-West Economic Corridor from the port of Danang in Vietnam through Laos and Thailand and on to Myanmar. Japan is also financing the Southern Economic Corridor that is envisioned to run from Ho Chi Minh City in Vietnam through Cambodia and southern Laos to Thailand and finally the south-eastern Myanmar port city of Dawei. In Dawei, Tokyo is funding the development of a new industrial zone. In October 2018, Tokyo assigned US\$625 million to projects aimed at reducing traffic congestion and improve drainage and sewerage systems in the Burmese capital Yangon¹³.

Also in 2018, Tokyo got the US and Australia to officially endorse its "Quality Infrastructure" concept. The three countries agreed in August 2018 to promote "Quality Infrastructure Development" in the Indo-Pacific region and the above-mentioned "Quad" is now using the term "quality infrastructure" as an integral part of the envisioned increased cooperation among Japan, the US, Australia, and India. Furthermore, government agencies from the US, Japan, and Australia have recently

2017, https://www.jica.go.jp/english/news/press/2017/170817_01.html.

¹³ B. Lintner, "Japan Offers 'Quality' Alternative to China's", *The Asia Times*, 18 October 2018.

agreed to provide joint financing for infrastructure in Asia, part of a three-way national cooperation on projects in the Indo-Pacific Region. America's Overseas Private Investment Corp., the Japan Bank for International Cooperation, and Australia's Export Finance and Insurance Corp. will work together to support such energy projects as liquefied natural gas terminals, as well as infrastructure like undersea cables. Support will also include the provision of loans and guarantees for private-sector financing.

Japanese infrastructure investments in Asia, in general, and Southeast Asia, in particular, precede Tokyo's "Quality Infrastructure" concept. Since the early 2000s until the end of 2017, Japan's infrastructure investment in Southeast Asia, including completed as well as ongoing ventures, amounted to roughly US\$230 billion. In comparison, China's total infrastructure in Southeast Asia over the same period amounted to US\$155 billion.

East and South Asian countries received 61.2% of Japanese Overseas Development Assistance (ODA) in 2016, and they will continue to receive a similar (if not higher) percentage of overall Japanese ODA in the years ahead. However, Tokyo under Abe has decided that economic and financial support and the expansion of trade ties in the region are not enough to present itself as a credible actor charged with the mission to uphold a regional order based on rules and norms and the compliance with international law. Tokyo has, therefore – e.g. over recent years – invested into the strengthening of capacities of the coast guards of various Southeast Asian countries.

Competing and Cooperating with China

Tokyo is well aware that Beijing smells containment and conspiracy in Tokyo's "Quality Infrastructure" policies. Increased security cooperation with the US, India, and Australia further confirm the suspicion in Beijing that Tokyo and its like-minded partners are teaming up against China. While Beijing portrays

itself as the target and/or victim of an alleged Japanese-Indian-Australian-US containment strategy, Chinese policymakers had to expect a reaction to its very assertive and aggressive regional policies in general and policies related to territorial claims in the East and South China Seas in particular. Unfortunately, Chinese policymakers and scholars (typically and indeed systematically under pressure from policymakers and CCP party officials) continue to pretend that they do not at all understand why Chinese policies related to territorial claims in the East and South China Sea are perceived as aggressive in Japan (and pretty much everywhere else too). The inability to understand, however, that building military facilities on disputed islands in the South China Sea is perceived as aggressive, is remarkable in view of the fact that the Permanent Court of Arbitration has ruled, in 2016, that China building those facilities is in violation of international law.

After initially refusing to consider joining the BRI, in July 2017 Japan announced that it would consider the possibility of getting involved in BRI-related initiatives and projects if the projects in question met four conditions. For Japan to contribute, BRI projects must be characterised by 1. openness and 2. transparency, they must be 3. economically sustainable and balanced and finally 4. the involved developing countries must be able to claim financial ownership over the projects in question. Unsurprisingly, China refused to accept the Japanese preconditions, and it can be assumed that Tokyo was at the time well aware that its conditions would be unacceptable to China. In fact, the above-listed preconditions arguably describe the very opposite of how many Chinese-led and Chinese-funded BRI project along the land and maritime Silk Road are being managed and operated.

Nonetheless, Tokyo's decision to no longer categorically refuse to cooperate with China on the BRI could (if realised) make economic sense, since this would give Tokyo some opportunity to hold China to higher levels of transparency and accountability. In other words, Japan and other like-minded

countries could have more leverage over the quality of some BRI projects. However, so far Beijing has refused to accept Japanese preconditions for its participation in BRI projects and is – unless there is a fundamental shift in Chinese policy – very likely to continue doing so.

China, however, continues to keep on trying to get Japan on board of the BRI train. At the end of 2018 potential Japanese-Chinese cooperation received new impetus when China officially invited Japan to participate in the BRI. By the time of this writing (November/December) Tokyo, however, continues to remain reluctant to commit itself to officially contributing to official BRI projects, fearing criticism from the US¹⁴. Also at the very beginning of October 2018, Tokyo and Beijing agreed to set up a joint committee aimed at working on the possibility to jointly build a high-speed railway system in Thailand. That is (potentially) significant as Japan and China until recently competed for the construction of that high-speed railway system¹⁵.

During Abe's state visit to Beijing in October 2018, Tokyo and Beijing signed a memorandum of understanding, which foresees the promotion of corporate cooperation aimed at some 50 infrastructure investment initiatives in third countries¹⁶. However, by the time of this writing, there were no details available on what kind of projects Japan and China will be jointly cooperating on. In fact, it is still not known whether the infrastructure projects Tokyo and Beijing are planning to cooperate on belong to Beijing's BRI or whether they are separate projects with no direct connection to the BRI as Tokyo points out.

¹⁴ See T. Ng and C. Wong, “China Invites Japan along Belt and Road as Shinzo Abe Makes Landmark Trip to Beijing”, *South China Morning Post*, 25 October 2018.

¹⁵ See M. Duchatel, *Japan-China Relations: Confrontation with a Smile*, European Council on Foreign Relations, 1 October 2018.

¹⁶ See S. Armstrong, “Japan Joins to Shape China's Belt and Road”, *East Asia Forum*, 28 October 2018.

Tokyo Taking the Lead

Tokyo is prepared and indeed very determined to do more than working on Japanese-driven ‘Quality Infrastructure’ projects to foster regional and inter-regional economic and trade cooperation. In early 2018, Japan decided to take the lead to adopt the Transpacific Partnership (TPP), the inter-regional free trade agreement Washington decided to withdraw from in January 2017. The agreement was signed by 11 members in March 2018. The TPP countries account for more than 14% of global trade, and Tokyo’s leadership was essential in bringing the remaining 11 members to adopt the deal. China is not a member of the TPP, but given that the agreement is a compilation of the existing WTO trade rules, there is no reason why China should not join the agreement in the future¹⁷. Whether China, however, is interested in joining an agreement that requires the country to adopt and stick to the rules and regulations defined in other countries remains yet to be seen. In fact, given the enormous resources Beijing is already investing into the BRI, it seems unlikely – at least for now – that Chinese leaders are planning to assign additional resources into rendering the country’s State-owned Enterprises (SOEs) compliant with TPP rules and regulations. Furthermore, Tokyo has more and more taken a leadership role promoting a rapid adoption of the Regional Comprehensive Economic Partnership (RCEP), an Asia-Pacific FTA comprised of 16 countries, including Japan, India, China, Australia, and South Korea. Under the banner of Tokyo’s “Free and Open Indo-Pacific” (FOIP) concept, in 2018 Japan under Abe has also continued to strengthen its economic and trade together with its security and defence ties with the US, India, and Australia. Although Tokyo obviously does not admit to that, the FOIP promoted by Tokyo is aimed at becoming a competitor to Beijing’s ‘Belt and Road Initiative’ (BRI), enabling

¹⁷ See N. Baldauff, *Japan’s Free and Open Indo-Pacific Strategy: What does it Mean for the European Union*, Egmont Institute Brussels, Security Brief No. 100, November 2018.

Tokyo to regain some of the economic and political clout it has lost over countries in East and Southeast Asia since Beijing announced the BRI in 2013.

Teaming Up with India

Already in 2007, Abe proposed the idea of bringing Japan and India closer together. During a speech at the Indian Parliament at the time, the Japanese Prime Minister spoke about the “confluence of the two seas” meaning the confluence of the Pacific and Indian Oceans¹⁸. In an often-cited December 2007 article, Abe declared that peace, stability, and freedom of navigation in the Pacific Ocean are linked to and depend on stability and freedom of navigation in the Indian Ocean¹⁹. In the same article, Abe also spoke about cooperation between Japan, Australia, India, and the US to secure and protect freedom of navigation in both the Pacific and the Indian Ocean. When Narendra Modi came to power as India’s Prime Minister in 2014, he announced the so-called “Act East” policy, i.e. increased Indian involvement in politics and security reach in East and Southeast Asia. In 2017, then, India and Japan established the “Act East Forum” to further institutionalise bilateral cooperation. During the forum’s meeting on 8 October, Abe and Modi discussed on which infrastructure projects to collaborate in the future. During the Japan-India summit on 29 October 2018, in Tokyo, India and Japan furthermore discussed seven yen loan agreements for key infrastructure projects in India, including the renovation and modernisation of the Umiam-Umtru Stage-III hydroelectric power station in Meghalaya, and the sustainable

¹⁸ “[Confluence of the Two Seas](#)”, speech by HE Mr Shinzo Abe, Prime Minister at the Parliament of the Republic of India’, Ministry of Foreign Affairs of Japan website, 22 August 2007.

¹⁹ Shinzo Abe, “[Asia’s Democratic Security Diamond; Project Syndicate](#)”, 27 December 2012.

catchment forest management in Tripura²⁰. At the Shangri-la Dialogue in Singapore in June 2018, Modi declared that political and security ties with Japan are of great importance to reach that goal. In fact, he referred to ties with Japan as the “cornerstone” of India’s “Act East” policy²¹.

Currently, ongoing Indo-Japanese infrastructure cooperation stretches as far as Africa. The Asian-Africa Growth Corridor (AAGC) initiated jointly by Tokyo and New Delhi is a project aimed at jointly promoting development and connectivity with Africa²². The AAGC was announced at the Annual Meeting of the African Development Bank (AFDB) in India in May 2017. In the years ahead, the initiative will focus on four main areas: 1) development and cooperation; 2) “quality infrastructure” and digital and institutional connectivity; 3) enhancing capabilities and skills; and 4) establishing people-to-people partnerships.

Finally, in the recent past India has used its political influence in South Asia to advance Japanese economic interests. Bangladesh’s decision to grant Japanese contractors the construction of a large port in southern Bangladesh (the Matarbari port project), worth roughly US\$1.5 billion, was influenced by Indian brokering. Furthermore, it is possible that India might ask Japan to become a partner in the Trincomalee port construction in southern Sri Lanka, a project it was awarded in April 2017²³.

²⁰ See “Why Northeast Asia Matters for India-Japan collaboration in the Indo-Pacific”, *The Economic Times*, 31 October 2018.

²¹ Prime Minister’s Keynote Address At Shangri La Dialogue, 1 June 2018, Ministry of External Affairs, Government of India.

²² See J.P. Panda, *Asia-Africa Growth Corridor (AAGC): An India- Japan Arch in the Making*, Focus Asia – Perspective and Analysis no. 21, August 2017, Institute for Security and Development Policy Stockholm, Sweden.

²³ See “Sri Lanka to Offer India Port Development to Balance out China”, *The Economic Times*, 19 April 2017; also see D. Brewster, “Japan’s Plan to Build a ‘Free and Open Ocean’”, *The Interpreter*, Lowy Institute, 29 May 2018.

Japanese-Indian Defence Ties

In the past, analysts argued that substantive security and defence cooperation with India would be difficult to realise for Japan. Reminders of Indian non-alignment policies, it was often argued, would keep New Delhi from committing itself to security and defence ties, which in Beijing could be perceived as part of a Western-led containment against China. However, that has clearly changed since Beijing has begun attempting to turn the Indian Ocean into what Indian defence analysts fear could become a “Chinese lake”. While these fears might be – at least for now – exaggerated, Beijing’s massive investments in ports and other strategic industries in countries like Pakistan, Sri Lanka, Bangladesh, the Maldives, and others countries in South Asia with access to the Indian Ocean are of concern to both Indian policymakers and defence planners.

Chinese territorial expansion in the South China Sea and Chinese investments in strategic sectors in Pakistan, in particular, have set off the alarm bells in New Delhi. As recently as September 2018, Beijing announced that its military ties with Pakistan are the “backbone” of bilateral relations, and Beijing will be sticking to its commitment to invest US\$60 billion in the so-called China-Pakistan Economic Corridor (which is part of the BRI). However, it must not go unmentioned that Beijing publicly confirming its economic and military commitments took place against the background of the suggestion by Pakistani Minister of Commerce Abdul Razak Dawood in September 2018 to suspend projects in the China-Pakistan Economic Corridor, the Pakistan leg of China’s Belt and Road Initiative, for a year²⁴.

In January 2018, Beijing announced the plan to build an offshore naval base near the Pakistani Gwadar port on the Arabian Sea. That would become China’s second offshore naval

²⁴ “China Says Military Backbone to Relations with Pakistan”, Reuters, 19 September 2018.

base after opening the first in Djibouti on the Horn of Africa in 2017. China has already invested heavily in the civilian facilities of Gwadar port and the second base would be used to dock Chinese naval vessels²⁵. China's plans to open a military base close to the Gwadar Pakistani port is without doubt reason for concern in India, which in turn will continue to motivate Indian defence planners to envisage closer security and defence ties with Japan (and the US and Australia). The expansion of Japanese-Indian security and defence is without doubt also a response to the perceived Chinese "intrusion" into New Delhi's traditional sphere of influence in the Indian Ocean. While India – in view of its trade and investment ties with China – will probably continue to remain reluctant to allow its security cooperation with Japan to be portrayed as full-fledged "containment" towards China, Indian policymakers have undoubtedly realised that the gloves are off, so to speak: countering growing Chinese influence in general and fostering closer economic and military ties with Pakistan in particular have moved up the agenda of Indian security and defence policymakers, and cooperating with Japan is very much part of the Indian equation.

In October 2018, Japan and India agreed to establish a 2+2 dialogue mechanism, i.e. regular meetings consultations between respective Foreign and Defence Ministers. During a meeting between Japanese Prime Minister Abe and his counterpart Modi in October 2018, Japan and India have agreed to strengthen what is referred to as 'maritime domain awareness' by signing an agreement between the Indian and Japanese naval forces²⁶. Also in October 2018, Tokyo and New Delhi started negotiating a logistics-sharing agreement, the so-called Acquisition and Cross-Servicing Agreement (ACSA). The

²⁵ See M. Chan, "First Djibouti ... now Pakistan port Earmarked for a Chinese Overseas Naval Base sources say", *South China Morning Post*, 5 January 2018.

²⁶ "India, Japan Agree to Hold 2+2 Dialogue to Enhance Security in the Indo-Pacific Region", *Economic Times*, 29 October 2018; also R. Shubhajit, "India, Japan Decide to have 2+2 Talks between Defence Foreign Ministers", *The Indian Express*, 30 October 2018.

ACSA is an agreement which facilitates joint manoeuvres, including three-way exercises involving the US Navy in the Indian Ocean and the Pacific. The Japanese-Indian ACSA will give the two armed forces access to each other's military bases for logistical support (India also has an ACSA with the US). An ACSA with India helps Japan to project its rising naval power in the Indian Ocean and allows Japanese vessels to get fuel and servicing at Indian naval bases. Japanese navy vessels will also be able to secure access to Indian naval facilities in the Andaman and Nicobar islands, located close to the western entrance to the Malacca Straits through which Japanese (and Chinese) trade and fuel imports pass. India for its part has signed military logistics pacts with the US and France, both of which have naval bases in the Indian Ocean and the Pacific²⁷.

In the months and years ahead, Prime Minister Abe could use the envisioned defence and naval ties with India as a justification to further increase Japanese naval capabilities. While the quality of Japan's naval forces is state of the art, defence experts argue that the country might have to further increase the number of naval vessels to be able to meet the requirements needed for increased exchanges and missions with other countries' naval forces. In the recent past, Japan Maritime Self-Defense Forces (MSDF) vessels typically sent no more than two Japanese vessels to the Indian Ocean to take part in naval exercises with the Indian navy. To be sure, Japan's naval forces are state of the art and are comprised of a total of 114 warships and 45,800 navy personnel. The main component of the MSDF is its fleet of forty-six destroyers and frigates – more than that those fielded by the United Kingdom and France combined²⁸.

²⁷ See B. Chellaney, "The Linchpins for a rules-based Indo Pacific", *The Japan Times*, 28 October 2018.

²⁸ See K. Mizokami, "Sorry, China: Why the Japanese Navy is the Best in Asia", *The National Interest*, 16 October 2016.

Conclusions

As shown above, Tokyo is clearly putting the money where its mouth is in the Indo-Pacific region. Japanese funds for the above-mentioned “Quality Infrastructure” development projects are substantive and Japanese companies have decade-long experience with infrastructure development and investments in African and Asian countries. Japanese “Quality Infrastructure” investments have made sure that Beijing’s BRI is no longer the only infrastructure development game in town.

While Tokyo’s above-mentioned FOIP emphasises the rule of law, human rights, and democracy as its guiding values and principles, Tokyo unfortunately remains prepared to make exceptions as far as the insistence on democracy and rule are concerned. Indeed, Tokyo’s commitment to international law and democratic values is sometimes selective as it is the case of the Philippines and Burma/Myanmar²⁹. Abe maintains a close and chummy relationship with the Philippines’ President Rodrigo Duterte, whose illegal and violent ‘war on drugs’ has led to 12,000 casualties. Furthermore, Abe’s reluctance to condemn Myanmar for the well-documented ethnic cleansing of the Rohingya minority in Myanmar is evidence that it is sometimes business over principles.

Japanese above-mentioned preparedness to collaborate with China on infrastructure development in Asia makes political and economic sense, but as shown above Tokyo does not necessarily need to cooperate with China to take its share of infrastructure development in Asia, Africa, and elsewhere along China’s Silk Road. While over the last two years Japanese Prime Minister Abe was often criticised for being too devoted to erratic US President Trump and unable to make independent foreign policy decisions opposing Trump’s protectionism and ill-fated ‘America First’ policies, his decision to no longer categorically

²⁹ See J.D.J. Brown, “Japan’s Values-Free and Token Indo-Pacific Strategy”, *The Diplomat*, 30 March 2018.

refuse to collaborate with China on the BRI is evidence that he is able to allow good (economic) sense to rule over the fear to end up on Trump's bad side. Recently, Abe has therefore asked Japan's big trading houses to look into how they could participate in Chinese-led infrastructure projects³⁰. To be sure, Tokyo continues to insist that Japanese contributions to Chinese-led BRI projects must meet the above-mentioned preconditions and Tokyo will continue to insist that the above-mentioned cooperation with China is not part of the BRI. As shown above, Tokyo does without a doubt have the resources and policies in place to enter into competition with China's BRI, and the recipient countries of Japanese investments in Southeast Asia and Africa are undoubtedly aware of qualitative differences between Chinese and Japanese investments.

³⁰ "How to read Japan's rapprochement with China", *The Economist*, 25 October 2018.

6. Australia's Economic, Infrastructural and Security Objectives in the Indo-Pacific

John Hemmings

The development of the Indo-Pacific in Australian foreign policy discourse has been one of the most interesting phenomena of the last two decades. This is primarily because it is the first conceptual framework to bridge the “US or Asia” binary¹ that has characterised Australian foreign policy debates since the end of the Cold War. While the roots of the concept lay outside of Australia – a point which will be explored below – Australia has been an essential component of the concept from the very beginning, with Australian intellectual participation and interest helping create an Australian voice in the creation of this rather open framework. It was also the first country to formally adopt the framework in the wheels of government². Given its openness, the Indo-Pacific concept is often misunderstood, a factor which has made it open to criticism as a tool of US strategy aimed at containing the People’s Republic of China (PRC), while overemphasising India’s centrality to Asia. Viewed from Canberra, it is clear that the framework has ideological and economic strands, and thus one sees these two strands running

¹ T. Satake, “The origin of trilateralism? The US-Japan-Australia security relations of the 1990s”, *International Relations of the Asia-Pacific*, vol. 11, Issue 1, 1 January 2011, pp. 87-114.

² E. Graham, “A Perspective of the Indo-Pacific from Australia”, presented at the Henry Jackson Society Seminar on the Indo-Pacific, 22 October 2018.

through Australian debates going back to the question of regional leadership of Asian integration in the 1990s³.

While Australian usage is for the most part geopolitical, there is a normative values aspect explicitly noted in the model, in that the regional hegemony of an authoritarian PRC is seen as unfavourable to Australia's interests⁴. India, by contrast, belongs to a group of states that loosely follows the liberal, democratic model. As a result, one sees that the economic strand has political and geostrategic implications since it orients Australia around an ideologically-driven economic strategy of building up India to balance Chinese dominance of the region. Again, the economic strand is directly dependent on the first strand, ideology, since free-market capitalist states are seen as important trendsetters in the future of Asia's economic architecture. As a democratic capitalist state, therefore, Australia has more in common with other "like-minded" states – such as India, Japan, and the United States – than closed authoritarian states like China. However, as some critics of the concept among Australia's foreign policy elites point out, there does seem to be an inherent contradiction in this ideological component and an "inclusive" Indo-Pacific framework since this normative element would seem to exclude China. However, as will be discussed, this might be because it is less about limiting membership ideologically than it is about aligning with fellow democracies to balance hegemony.

Origin Story

The conceptual origins of the Indo-Pacific framework do not come from Australia or the United States. Instead, the concept comes from a speech by Japanese Prime Minister Shinzo Abe,

³ Anonymous, Interview with former Director, Oceanic Directorate, Ministry of Foreign Affairs, Tokyo, Japan, 12 February, 2015.

⁴ P.N. Varghese, *An India Economic Strategy to 2035*, 2018, a Report to the Australian Government, found at DFAT website.

“Confluence of the Two Seas”, given at the Indian Parliament on 22 August 2007. Abe’s views on the Indo-Pacific region had already been developing for some years, and in Japan the conceptual debate that led to the Indo-Pacific framework was already more than a decade old by the time of the speech in New Delhi⁵. While many now contest that the Indo-Pacific is by itself “anti-Chinese”, there is an element of Sino-Japanese competition in those early debates, that centred around the question of who would lead Asia’s regional integration. While Japan had developed an economic quasi-leadership role in the late 1970s and 1980s under what was referred to as the “flying geese” model, this role diminished with the collapse of the Japanese bubble, precisely as China’s economy and soft power were becoming stronger. This unfavourable situation was compounded during the 1997 Asian Financial Crisis by the loss of legitimacy of the Washington Consensus⁶ and the simultaneous rise in Chinese diplomatic influence inside ASEAN (Association of South East Asian Nations) after the PRC “promised to refrain from devaluing the Yuan” and gave an “unconditional offer of economic aid”⁷, signing a joint statement over future relations at the Kuala Lumpur Summit⁸. This came to a head at a fateful 1997 ASEAN+3 meeting, in which ASEAN member states had invited Korea, Japan, and the PRC to participate in crisis talks over the Financial Crisis. Diplomats in Japan’s Ministry of

⁵ “Confluence of the Two Seas”, speech by HE Mr Shinzo Abe, Prime Minister at the Parliament of the Republic of India, Ministry of Foreign Affairs of Japan website, 22 August 2007.

⁶ D. Rodrik, “Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank’s Economic Growth in the 1990s: Learning from a Decade of Reform”, *Journal of Economic Literature*, vol. XLIV, December 2006, pp. 973-987.

⁷ Lai Hongyi, “China’s Evolving Relations with Southeast Asia: Domestic and Strategic Factors”, in Lai Hongyi and Lim Tin Seng (eds.), *Harmony and Development: ASEAN-China Relations*, Singapore, World Scientific, pp. 27-28.

⁸ Lai Hongyi and Lim Tin Seng, “ASEAN and China: Towards a Harmonious Relationship” in Lai Hongyi and Lim Tin Seng (eds.), *Harmony and Development: ASEAN-China Relations*, Singapore, World Scientific, p. xix.

Foreign Affairs had lobbied hard – but ultimately, unsuccessfully – to have the format enlarged to ASEAN+6 by including Australia, New Zealand, and India. The success of China’s own preferred grouping – on in which it was by far the most dominant member – alarmed many inside Japan’s Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry⁹.

Thus if we are to understand correctly the origins of the Indo-Pacific framework and Australia’s role in it, we can see that initially it had at its core strong competition between the two largest Asian economies – Japan and China – which has been compounded by different ideologies and development models. We can also see that for Australia, the debate was of paramount importance because it implicitly allowed for who was to be considered “Asian” and who is not. For Canberra, long-accustomed to a debate which pits its Asian-facing policies from its US-facing policies, the Indo-Pacific has been characterised by its inclusivity and by the fact that it allows Australia to play a role that spans both. Naturally, this presents Canberra with both challenges and opportunities. In the first instance, it does little to alleviate the challenges presented by the PRC’s exclusive “East Asians-only” model and the fact that by including India, the debate takes on a geopolitical flavour. In addition to the Sino-Japanese element, Beijing’s preference for architecture exclusive of the United States has seen the US-China dyad come into play.

Tracking the Changes

Professor Rory Medcalf, a former Australian diplomat, analyst at the Office of National Assessments, and long-time, influential proponent of the Indo-Pacific framework in Australian academic and government circles notes that the use of the term “recasts the mental map of some of the most strategically

⁹ T. Terada, “The Origins of ASEAN+6 and Japan’s Initiatives: China’s Rise and the Agent-Structure Analysis”, *The Pacific Review*, vol. 23, Issue 1, 2010, pp. 71-92.

important parts of the globe. How maps are made and labelled matters too, as Robert Kaplan reminds us, because they affect how the powerful understand the world”¹⁰. The Australian government has not been slow to this recasting of mental maps. As Dr. Euan Graham at La Trobe University has pointed out, Canberra was the first country to formally adopt the nomenclature in Australia’s 2013 Defence White Paper, which characterised the concept as an emerging one: “A new Indo-Pacific strategic arc is beginning to emerge, connecting the Indian and Pacific Oceans through Southeast Asia [...] forged by a range of factors”¹¹, including the rise of India as an important strategic and political actor, willing to “act East” as well as “look east”. Additionally, growing trade, investment, and energy flows have created security interdependencies along the Indian Ocean as the PRC has developed a number of partnerships through the use of its infrastructure development projects, a component of the Maritime Silk Road.

Graham notes that the concept has been steadily refined in subsequent policy documents, including the 2016 White Paper and 2017 Defence White Paper. In the 2017 Foreign Policy White Paper, for example, the link between norms and values and the rules-based order is made:

The principles embedded in the post-war order have strongly supported Australia’s interests and our values. These principles include the promotion of open markets, the importance of international law and other norms to guide international cooperation, the articulation of universal rights and freedoms and the need for states to work cooperatively on global challenges [...]. In this dynamic environment, competition is intensifying, over both power and the principles and values upon which the regional order should be based¹².

¹⁰ R. Medcalf, “The Indo-Pacific: What’s in a Name?” *The American Interest*, 10 October 2013.

¹¹ Australian Government, *2013 Defence White Paper*, 2013.

¹² Australian Government, *2017 Foreign Policy White Paper*.

In addition to these conceptual changes, a number of government departments have made organisational adjustments to accommodate the new framework and to filter it through the various arms of policymaking. The Department of Foreign Affairs and Trade (DFAT), for example, has created a new overarching Indo-Pacific Group, under which sub-regional groups now sit. Further to that, DFAT has created a Geo-Economics branch, which draws together trade and foreign direct investment in a way that looks at how both are leveraged as tools for security and foreign policy. Bilateral relations with countries like India have had the geopolitical aspect of the Indo-Pacific concept added, with one DFAT report saying, “The Australia-India strategic relationship stands on its own merits. It is however closely linked to the broader security of the region and therefore inevitably also brings in China, if only because China, like the United States, looms large in the strategic calculations of both countries”¹³.

Australia – Between States?

One of the challenging aspects of the Indo-Pacific concept is that while it seems to answer the 1990s binary of “US or Asia” that so characterised domestic discourse in Australia, it may well replace that with another, that of “US or China”. This issue of identity is particularly poignant to Australia as it has been cast as an “outpost of Europe”¹⁴ in the East and strategically sought since the 2012 White Paper, *Australia in the Asian Century*, to move toward an Asia-facing foreign policy approach¹⁵. To a large degree, the Indo-Pacific has allowed Australia a wider identity as a state that straddles two oceans as well as two identities. It has also been fortunate that influential member states of ASEAN

¹³ P.N. Varghese, “The Geopolitical Pillar”, in Id. (2018).

¹⁴ J. Massola, “Australia still an ‘outpost of Europe’ says Malaysia’s Mahathir”, *The Sydney Morning Herald*, 23 March 2018.

¹⁵ Australian Government, *Australia in the Asian Century: White Paper 2, 2012*.

have embraced the Indo-Pacific concept as a means of balancing potential Chinese hegemony. In 2014, President Joko “Jokowi” Widodo’s explained his idea of Indonesia’s role as a maritime fulcrum, saying Jakarta “must assert itself as a force between the two oceans: The Indian Ocean and the Pacific Ocean”¹⁶. More recently, in November of 2018, Indonesia drafted an “Indo-Pacific Outlook” concept paper for its fellow ASEAN member states, which has attempted to marry the Indo-Pacific concept with ASEAN primacy and existing multilateral architecture like the East Asia Summit¹⁷. Perhaps most surprising of all has been Australia might update its strategic partnership with ASEAN by becoming a full member of the grouping. While the idea of an Australian membership surfaced only very briefly in May 2018, in a meeting between Malcolm Turnbull and Indonesian president Joko Widodo in the run-up to the ASEAN Summit in Sydney, it is still a remarkable shift in Australia’s foreign policy identity¹⁸, which might be down to the Indo-Pacific construct.

Naturally, as the concept has had ideological and geopolitical elements, there has been a switch from the old “US or Asia” discourse to a “US or China” discourse among a small minority of Australia’s foreign policy elites. Even official documents like the 2013 DWP noted that “The relationship between the United States and China, the region’s and the globe’s two most powerful states, will more than any other single factor determine our strategic environment over coming decades”¹⁹. While there is strong mainstream support inside both of Australia’s political parties for the concept²⁰, there are charges that the strategy is “anti-China” or about “containing” China from a small cadre of

¹⁶ P. Saha, “India-RI cooperation in Indo-Pacific a must”, *The Jakarta Post*, 23 April 2018.

¹⁷ A. Saiman and E.M. Bayuni, “Time for ASEAN to drive the Indo-Pacific process: Jakarta Post writers”, *The Straits Times*, 7 November 2018.

¹⁸ Australian Associated Press, “Indonesia says it would be a ‘good idea’ for Australia to join ASEAN”, *The Guardian*, 15 March 2018.

¹⁹ 2013 DWP (last accessed 4 November 2018).

²⁰ E. Graham (2018).

Australia's "China hands". According to one former Australian ambassador to China, Geoff Raby, the concept is "a geopolitical concept [...] as meaningless as the Atlantic-Pacific would be". He critiques the implicit attempt by Canberra to "draw India in as the anchor to the Orwellian concept of the Indo-Pacific, as if something gains substance by calling it a politically loaded name"²¹. For Hugh White, another critic of the strategy, it is clear that the framework is too large to be useful and that simply drawing lines linking the Indian Ocean to the Pacific Ocean does not make a community²². For Medcalf, critics of the Indo-Pacific have missed its defining features: first, it has its roots in deep material changes taking place across the trade lanes of the described region; second, it has clear organising principles tied to the interaction and behaviors of great powers and rising powers. The material anchors of the framework include the rise of China as a great trading power, dependent on Middle East energy supplies; the rise of India as a potential power, straddling those energy and trade routes in the Indian Ocean Region (IOR); and the critical strategic role of the United States, the indispensable power in both oceans²³. Additionally, those Australian critics – in seeking to portray the framework as one driven by the US and China binary – miss the increased involvement of ASEAN in the concept.

Trilats and Quads

One consideration is the Indo-Pacific framework's relationship to changes taking place in the US alliance system – the so-called *San Francisco System* – which has seen a shift from bilateral alliance dyads, between Washington and its regional allies, toward

²¹ G. Raby, "China relations can only be unfrozen with Julie Bishop's sacking", *Financial Review*, 14 May 2018.

²² H. White, "The Indo-Pacific: talking about it doesn't make it real", *The Strategist*, 22 November 2018.

²³ *Ibid.*

mini-lateral dyads, comprised of three or more partners. Dr. Michael Green, a noted Japan expert at the Centre for Strategic and International Studies (CSIS), calls these new multilateral security relationships a form of “federated defense”²⁴, and argues that they sit somewhere between the old bilateral system and some new ideal multilateral institution. Australian foreign policy elites, namely Aston Calvert and Alexander Downer²⁵, played a strong role in the creation of the US-Japan-Australia Trilateral Strategic Dialogue (TSD) in 2002, and over the past twenty years, the US-Japan-Australia trilateral relationship has become the most institutionalised and evolved security grouping, with a large degree of military interoperability and intelligence-sharing. While it is not clear that the Quad and the Indo-Pacific were different sides of the same strategy implemented by Canberra, there is no doubt that they derive from the same insecurity around the rise of Chinese military capabilities and regional ambitions. As a result, they are likely to continue to be utilised as a narrower balancing facet of the wider Indo-Pacific framework.

The 2017 Australian Foreign Policy White Paper states,

In parts of the Indo-Pacific, including Southeast Asia, China’s power and influence are growing to match, and in some cases exceed, that of the United States [...] most regional countries, including Australia, clearly consider a significant US role in the Indo-Pacific as a stabilizing influence. Japan and India, major economies and military powers in their own right, are also playing stronger roles in Indo-Pacific security and political affairs and are seeking to influence the balance of the regional order²⁶.

²⁴ D. Brewster, “India and Australia: Creating New Strategic Geometries in the Indo-Pacific”, in S. Chandra and B. Goshal (eds.), *The Indo-Pacific: Peace and Prosperity or Conflict?*, Abingdon, Oxon, Routledge, 2018.

²⁵ Interview with High Commissioner Alexander Downer, Former Foreign Minister, Australia, Department of Foreign Affairs and Trade, 1996-2007, London, 9 September 2015.

²⁶ Australian Government, “Power Shift in the Indo-Pacific”, *2017 Foreign Policy White Paper*, 2017.

While Medcalf claims that the Indo-Pacific concept is not particularly American-centric, he does note Washington's embrace of the concept, pointing out that the Pacific Command in Hawaii has been renamed the Indo-Pacific Command²⁷. Given the fact that the US is Australia's primary ally and provider of arms, there is little doubt that this helps with the acceptance of the framework among Australian foreign policy elites.

Now that Australia has both the Quad and the Indo-Pacific framework, it will be interesting to see how the two interact among foreign policy elites in Canberra in the future. There are obvious linkages. For example, all four members of the Quad have adopted the Indo-Pacific concept, and all four have concerns about China's expansionist maritime policies. All four are democracies. While it is true that a number of commentators have been attempting to differentiate the Quad and the Indo-Pacific concept and even create distance between the two, this might well be because of the double-security dilemma that entangles both concepts²⁸. If one looks at the US-Japan-Australia trilateral as the precursor to the US-India-Japan-Australia Quadrilateral, and notes the heavy input that Australian diplomats played in fostering the grouping in the early 2000s²⁹, there is a strong case to be made that Australia plays a pivotal strategic role in the Indo-Pacific concept, both through its trilateral and quadrilateral relationships with other key Indo-Pacific states. While New Delhi remains opposed to allowing Australia to take part in the Malabar naval exercise in the Bay of Bengal, it is unclear whether this is a short-term tactical decision – to

²⁷ R. Medcalf, "Mapping our Indo-Pacific Future: Rory Medcalf's Speech", full text of the landmark Policy Forum and National Security College talk, 5 June, 2018.

²⁸ This double security dilemma is more fully discussed in T. Satake and J. Hemmings, "Japan-Australia security cooperation in the bilateral and multilateral contexts", *International Affairs*, vol. 94, no. 4, 1 July, pp. 815-834. In short, it discusses how regional states face a security dilemma with the PRC when they carry out balancing behaviours like alignment, while simultaneously facing an intra-alliance security dilemma involving abandonment and entrapment with the United States, the region's primary security provider.

²⁹ *Ibid.*

help with President Modi's China outreach this year – or a long-term strategic decision.

Infrastructure and Geo-Economics

It is no secret that there is a large infrastructure financing gap in Asia. According to DFAT, the region will require more than USD26 trillion of financing by 2030³⁰. Australia – like many countries in the region – views the geopolitical and economic features of the Indo-Pacific concept as strategically intertwined. There is little doubt that China has been the instrumental driver in promoting this realist approach toward development and the surge of infrastructure-building in the region. The unveiling of the Belt and Road Initiative (BRI) by Chinese President Xi Jinping in Kazakhstan in September 2013, followed by the subsequent launch of an Asia Infrastructure Investment Bank (AIIB) in Indonesia in October, added to the blue-water ambitions of the People's Liberation Army Navy (PLAN)³¹, have been the clearest outlines of a wider PRC grand strategy. The gradual shape that PRC investment has taken in the region – across a number of ports and maritime-oriented projects – has indicated a strategic desire for sea-lane control³². As a result of this, a number of states – including Australia – have sought to implement their own infrastructure projects in the region, primarily with India. Given its overreliance on the PRC, the seemingly untapped potential of India's home market, the balancing potential of a powerful India, and the subcontinent's urgent need for infrastructure, Canberra has a surfeit of reasons to engage Delhi economically³³.

³⁰ Australian Government, “Asian Infrastructure Investment Bank Fact Sheet”, Department of Foreign Affairs and Trade.

³¹ Y. Koda, “China's Blue Water Navy Strategy and its implications”, *CNAS*, 20 March 2018.

³² Xiaoyan Wu, “China's ‘Sea Power Nation’ Strategy”, *ISDP*, June 2014.

³³ P.N. Varghese, “Infrastructure, Urban Development & Transport”, in Id. (2018).

Australia has traditionally played a banking role when it comes to development and has been the second largest and 12th largest contributor to the Asia Development Bank (ADB) and World Bank concessional lending funds.³⁴ Recently, Canberra has outlined plans to increase infrastructure investments in both the South Pacific and India. In the case of the former Prime Minister Scott Morrison unveiled the US\$1.4 billion Australian Infrastructure Financing Facility for the Pacific on 4 November 2018, aiming to provide grants and long-term loans for investments in telecommunications, energy, transport, and water. In addition to this, a further US\$728 million will be injected into the Export Finance and Insurance Corp., Australia's export credit agency, and it will be given greater leeway in strategically-linked investments in the Pacific³⁵, such as the deep sea internet cable between Papua New Guinea and the Solomon Islands.

While the recent Australian government-commissioned report *An India Economic Strategy to 2035* covers a wider range of economic engagement, including the energy sector, resource extraction, mining, financial services, and agriculture, it is clear that infrastructure remains pivotal. India's infrastructure requirements, the report states, "will require investments of over US\$4.5 trillion by 2040 for the development of its infrastructure – of this, India will be able to meet about US\$3.9 trillion, leaving a US\$526 billion deficit"³⁶. As transport is expected to account for over 60% of this infrastructure investments, Australian investment is focusing on developing highways, offering services in the areas of port logistics, heavy haul rail, road safety, and design and engineering. Three companies, Macquarie, CIMIC, and Linfox, have already entered into the Indian market, with Macquarie operating seven toll roads, and

³⁴ J. Pryke and R. McGregor, "The new US-Japan-Australia infrastructure fund", *The Lowy Interpreter*, 31 July 2018.

³⁵ R. McGuirk, "Australia details investment in Pacific as China clout grows", *Star Tribune*, 7 November, 2018.

³⁶ *Ibid.*

committing more than AD\$3.2 billion to India since 2008. In addition to looking at engaging with India's quasi-sovereign National Investment and Infrastructure Fund, Canberra is also interested in joining multilateral groupings, such as the embryonic US-Japan-Australia trilateral infrastructure fund. While the grouping is still to develop, it indicates that Australia is willing to experiment with a variety of infrastructural investment bodies. Canberra was, after all, a founding member of the PRC's AIIB initiative³⁷. However, as the projects in the South Pacific reveal, there is increasing awareness that Chinese projects and their terms have a geopolitical element by putting countries in strategic locations in debt to Beijing. In January 2018, Liberal Senator Concetta Fierravanti-Wells, the-then Minister for international development and the Pacific criticised Chinese lending as "debt-trap diplomacy" to *the Australian*, a national newspaper³⁸, causing a minor diplomatic furor.

Conclusions

The development of the Indo-Pacific concept has been a great boon to countries like Australia. The new mapping of South Asia and the Pacific also bring with them their own strategic imperatives around sea-lane security, infrastructure development, and political/ideological alignment. While Australia's foreign policy elites continue to hedge against the rise of an authoritarian China and continue to avoid provoking Beijing outright, they have begun to adapt to the PRC's regional ambitions by creating balancing institutions and strategies with a multitude of partners. As no country – not even the United States – seems large enough to balance China on its own, Australian foreign policy elites seek to engage across a number of different sectors

³⁷ J. Wilson, "The AIIB and Australian participation in Chinese infrastructure initiatives", *DevPolicy Blog*, 14 August 2018.

³⁸ P. Riordan, "China accuses Concetta Fierravanti-Wells of 'blatant slander'", *The Australian*, 8 October 2018.

with populous India, ASEAN, and Japan. While it would appear that the concept has rid Australia of the futile and pointless 1990s debate “US or Asia”, there is a small but vocal group of “China hands” who still see Canberra as facing a binary choice. As ASEAN, Japan, and India have all made clear moves toward adopting – either officially or nominally – the Indo-Pacific construct, these China-hands have adjusted the old “US or Asia” debate into a “US or China” debate. While it is always difficult to make predictions about domestic politics, it would appear that in the wake of China’s interference campaign inside Australia in 2017 and 2018, the mainstream of foreign policy elites in Australia are fully-embracing the Indo-Pacific concept.

In economic terms, infrastructure development and financing have become the primary tools for engaging with the South Pacific and India, but it is clear that both still have deeply geopolitical elements and there seems to be a sense that these projects and new institutions are in opposition to those created by the PRC rather than just sitting alone. One sees this most vividly in the US-Japan-Australia trilateral investment fund. Given the trilaterals’ place as the most developed military quasi-alliance in the region, the choice of using it also to do infrastructure sends a clear message to the region and China. The question of how this message is received will depend on how well the security component of the Trilateral – the Trilateral Strategic Dialogue (TSD) and the Security and Defense Cooperation Forum (SDCF) is able to draw in India. These two state trilaterals, particularly the SDCF, have well-developed military interoperability, developed through a multitude of regional, inter-service exercises, and intelligence-sharing agreements. The Quad, by comparison, is very poorly developed, having only just been revived after a ten-year hiatus. Australia’s absence from the 2018 Malabar Exercise shows that while India is willing to develop hedging strategies towards China, it is still deeply torn about how far it can go without provoking a security dilemma with the rising power. As it is, Australia too must align carefully, reliant as ever on the PRC as a trade partner. Perhaps

the Indo-Pacific can be used by Australia and its partners to bring China into the fold. However, this is an old dream and wishful-thinking, both of which we perhaps must leave behind.

Conclusions and Recommendations for the EU

Since 2007, the year in which Japanese Prime Minister Shinzo Abe proposed the Indo-Pacific as a new geopolitical strategy in a speech before the Indian Parliament, the Indo-Pacific concept has been assuming growing importance at the political, diplomatic, and security levels. The strategy was conceived as a means to connect India to the Pacific Ocean by establishing closer political and security relations between New Delhi and other key East Asian state actors minus China.

As a consequence, from that time onwards, all the major actors involved started to include the Indo-Pacific into their own geo-economic and geostrategic calculations. Australia, the United States, India, and Japan are now fully integrated into the Indo-Pacific strategic network. In fact, over the last two to three years, Japan and India have taken the lead, investing further energy and resources into turning the Indo-Pacific concept into an integral and sustainable policy. The expansion of their bilateral security and defence ties are evidence of that, and if we are to believe policymakers in both Tokyo and New Delhi, Japanese-Indian defence ties have yet to reach their full potential. To be sure, all of this is perceived by Beijing as part of a US-Japanese-driven containment strategy towards China, while analysts point out that Beijing had to expect a reaction to what, outside of China, is referred to as illegal Chinese territorial expansionism in the South China Sea.

After Donald Trump's first trip to Asia in November 2017, the Indo-Pacific started to take shape as the geographical and conceptual background of US security and strategic involvement in Asia. However, the United States under Donald Trump has become the elephant in the room in the Western camp, as demonstrated by Washington's counterproductive retreat from the Asia-Pacific and exemplified by its withdrawal from the TPP in 2017. Nonetheless, and at least for the time being, Washington endorses and promotes security cooperation with Japan, Australia, and India in the Indo-Pacific as a tool to keep China's military and territorial ambitions in check. For now, Washington finds itself alone in conducting so-called Freedom of Navigation Operations (FONOPs) in international territorial waters in the South China Sea, but it cannot be excluded that Japan and possibly Australia will at some point join Washington's FONOPs sending a message that the South China Sea is not part of China's integral territory (as China likes to argue). Furthermore, it cannot be excluded that some individual European countries – notably France and the UK – could in the future conduct FONOPs in Asian territorial waters even if Beijing continues to urge Europe and everybody else for that matter not to “meddle in Chinese internal affairs” (based on the fallacious Chinese claim that the entire South China Sea is *de facto* part of Chinese territory).

For Japan, India, Australia and other countries inside and outside the region, the Indo-Pacific concept is gaining traction because of China's increasingly assertive regional policies, including Beijing's acquisition of Asian, African, and also European commercial ports as foreseen and implemented in the context of China's Belt and Road Initiative (BRI).

The Indo-Pacific is also very important if we consider the increasing relevance of Australia as a key regional player. Since the publication of its Defence White Paper in 2013, Canberra has adapted its foreign policy strategy to the fast-changing Asian strategic landscape. The growing Chinese presence in the Pacific Ocean is further undermining Australia's diplomatic

leverage over small Pacific Ocean countries. Thus, Canberra is adjusting its regional security policies, which include increased cooperation with Japan, India, and the US: a quadrilateral relationship, the so-called “Quad”.

China, the alleged “target” of the bilateral and multilateral policies adopted under the Indo-Pacific banner, continues to invest enormous resources in the BRI in an attempt to make cooperation with China economically and financially more attractive than acting against China with the support of perceived Chinese “adversaries” in the Indo-Pacific. China feels encircled by the “Quad countries” and their potential new allies and continues to advance carrot-and-stick policies towards countries in the region that are either opposed to or in favour of being incorporated into BRI policies under Chinese terms. More than once in the recent past Beijing has used the dependence of Southeast Asian countries on Chinese trade and investment ties as a means to exert political pressure.

In sum, the above-mentioned bilateral and multilateral policies adopted in the Indo-Pacific are undoubtedly an attempt to counter Chinese geo-political and geo-economic policies that are perceived as over assertive and indeed aggressive.

The EU is the world’s biggest trading block and its member states are the biggest trading partners of many countries in the Indo-Pacific region. Brussels maintains strategic partnerships with India, South Korea, Japan and Australia and both Brussels and its Asian/Indo-Pacific partners have pledged to increase bilateral and multilateral security cooperation and consultations. As a trading block the EU is naturally and vitally interested in free and safe passage through Asian territorial waters and this is where cooperation with the above-mentioned Quad countries will inevitably become more important in the years ahead. Furthermore, the EU’s cooperation with a number of Southeast and South Asian countries in areas such maritime law enforcement, good governance, conflict prevention, confidence-building and disaster management, together with its institutionalised ties with ASEAN (including through its membership in the

ASEAN Regional Forum [ARF]), will make sure that the EU and its member states remains in the regional politics and security. All four Quad countries are strategic partners of the EU, and Brussels is therefore well equipped to involve itself (more) actively in ongoing security cooperation and consultations in the Quad framework.

What should the European Union (EU) policies in and towards the Indo-Pacific be and look like? We offer a number of recommendations.

1. **The EU should strengthen its own interconnectivity policies towards the Indo-Pacific to secure a stronger position vis-à-vis the above-mentioned BRI.** In the course of 2018, the EU started to advance the idea of developing its own infrastructural project across the Eurasian landmass. The so-called ‘connectivity platform’ should become a valuable policy tool enabling the EU to strengthen its economic, political, and security ties with and in the Indo-Pacific region. Brussels and its member states should be (much) more active in including themselves in the above-mentioned economic and security policies driven by the ‘Quad’ countries. As liberal democracies, these four countries – Japan, the US, Australia and India - share values and approaches towards regional and global economic and security policies with the EU. To be sure, all of this should remain complementary to European involvement in Chinese-led BRI projects and planning. In other words, further European involvement in the Indo-Pacific should not be at the expense of already ongoing cooperation with China.
2. **Through the Indo-Pacific, the EU is advised to further strengthen ties with Japan and India.** The new strategic framework of the Indo-Pacific represents a valuable means through which the EU could increase its involvement in Asian politics and security. In July 2018 the EU and Japan signed two important agreements,

the EU-Japan Economic Partnership Agreement (EPA) and the Strategic Partnership Agreement (SPA), aimed at strengthening EU-Japan bilateral relations both at the economic and security levels. The above-mentioned expansion of Indian-Japanese security and defense ties offers opportunities for the EU to get more involved in the already ongoing joint India-Japan security policies in the region.

3. **The EU should continue to invest resources in engaging China economically and politically.** Brussels continues to point out that its further engagement in the Indo-Pacific is not aimed at China, and the EU's efforts to solve the numerous outstanding problems on its trade and investment agenda with China (problems above all related to market access in China) are not part of a containment strategy towards China (as China typically suspects). EU-China trade and investment ties are mutually beneficial, but there are a number of unresolved issues that must be addressed in a more assertive and result-oriented fashion. Beijing must be made to understand that urging China to abide by the principle of 'reciprocity' in the context of bilateral EU-China trade and investments is not a result of or follow-up to a multilateral attempt to team up against China in the Indo-Pacific.
4. **The EU should strengthen its cybersecurity capabilities.** The Indo-Pacific is becoming particularly important also for security reasons. The battle between China and the rest of the countries comprising the Indo-Pacific is also fought in cyberspace. This is because the BRI has not only a physical but also a digital dimension. If the EU manages to cooperate with the other countries, it could protect its digital infrastructure from Chinese interventions and hacking activities aimed at gathering other countries' sensitive information, related to industrial and technological innovation.

5. **The EU could – along with the US, Japan, Australia, and India - become the fifth democracy of the Indo-Pacific concept.** Moreover, in light of the recent diplomatic and trade contrasts between the EU and the US and the latter's need to find other regional partners to check China's rise, the EU's contributions to politics and security could prove to be even more important if not central.

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