

Geopolitical Developments in the Indo-Pacific Region

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A decade back Asia-Pacific and South Asia defined two separate

regions. The growth of India and its relevance to Asia-Pacific was perhaps first recognised by the Japanese Prime Minister Abe when speaking at the Indian Parliament in August 2007. He said, *“My friends, where exactly do we now stand historically and geographically? To answer this question, I would like to quote here the title of a book authored by the Mughal Prince Dara Shikoh in 1655. We are now at a point at which the Confluence of the Two Seas is coming into being. The Pacific and the Indian Oceans are now bringing about a dynamic coupling as seas of freedom and of prosperity. A “broader Asia” that broke away geographical boundaries is now beginning to take on a distinct form. Our two countries have the ability and the responsibility to ensure that it broadens yet further and to nurture and enrich these seas to become seas of clearest transparency.”*

India has always had through centuries a broad organic linkage with East Asia, be it through trade or through the exchange of ideas and especially through Buddhism. The new confluence today is being powered by the forces of Globalisation, which accelerated growth through both increased trade, connectivity and regional interaction and led to a geographic contraction and the creation of a composite Indo-Pacific Region. This is generally understood to include South Asia, East Asia, Australasia and South East Asia with Association of South East Asian Nations (ASEAN) being both, its physical as well as institutional fulcrum. But as the Indian growth story continues, the Indo-Pacific may well come to mean as being from the shores of Africa to that of the Americas as defined by the Indian Prime

Minister Modi at the Shangri-La Conference in Singapore on 01 Jun 2018 with India being another fulcrum.

The Indo-Pacific Region, with over 3.5 billion people and a combined GDP today of over USD 20 trillion, has been over the past half a century the fastest growing region in the world, partly as a consequence of globalisation. This has led to a steady shift of the global economic and political centre of gravity towards the region. This process has been aided by foreign investment as well as transfer of know-how and technology, creation of regional and global value chains and access to markets in the developed world.

Japan was the first to take off, followed by the Asian tigers South Korea, Taiwan, Singapore, and Malaysia. China and other ASEAN countries followed and finally India and South Asia became part of the growth story. The Indo-Pacific today contains six of the world's largest economies and members of the G-20 – China, Japan, India, South Korea, Australia and Indonesia. As Asia takes centre stage, the Asian way of doing things comes more into focus and its attendant effect on behaviour around the world.

China is today the largest economy in the region. It leveraged geopolitical conditions resulting from East-West rivalry to aid its own exponential growth. It is today the largest investment and trading partner of nearly all the Indo-Pacific economies and an important member of regional and global value chains. Given the enormous investment it is making in developing science and technology, it will soon become a global technological hub. Chinese actions have increasing effect on regional economies and even afar given the enormous amount of capital that China employs, the size of its market and the goods and services it provides.

While economic partnership with China is advantageous for its partners, at least in the short term, its growing military capabilities and reach constrain the strategic space of other regional countries and increase their threat perceptions. China clearly desires to change the status quo and wants to fashion the rules and norms to its advantage. Its discussions with ASEAN countries on the code of conduct in the South China Sea and its

island building and fortification activities there are indicative of this. Similarly, its Belt and Road initiative, through which it is strengthening linkages with its periphery and its major trading partners, its setting up of the Asian Infrastructure Investment Bank (AIIB) have the same purpose.

After the Second World War, it was largely the US and its Western Allies that put in place the rules governing the relations between states, of conduct in global commons, trade and finance. Asia has been by and large a beneficiary of the stability this order provided, even though these norms and rules were put in place to protect the interests of those making the rules especially in the area of trade, services and finance.

Today, as a consequence of their own faster economic growth, multiple centres of power are emerging around the world and are challenging the existing geopolitical order, China being the most important, given its growing economic and military capabilities. This is leading to increasing competition around the world and in the Indo-Pacific for rule setting and creation of new norms and the consequent re-ordering of global economic and security architecture. This will challenge US hegemony. The Trump-Kim meeting and developments in the Korean peninsula are perhaps a manifestation of this and also indicative of reordering of the US priorities in the region.

As the control of global institutions and governance increasingly slips out of the US hands there seems to be a backlash against globalisation and greater recourse to nationalism and unilateral behaviour. Brexit and the election of President Trump are indicators of this trend.

President Trump has signalled an “end of the west” as it stands by questioning its ideological and geo-political relevance both in the economic and security domains. He is also making it clear that America does not want to sustain Pax Americana. US is not willing to pay the price for it in terms of troops or financial commitments as it did previously. His arrangement with North Korea indicates that his priority is American security. Importantly, he is putting America first, and rolling back on post-Cold War

globalisation and has initiated a trade war with the rest of the world.

As the US withdraws, a rising China is attempting to fill the breach. China's dreams are that it aspires to be a prosperous society by 2021, the 100th anniversary of the founding of the Chinese Communist Party (CCP) and a developed country by 2049 a century after the establishment of the People's Republic.

Then there is a more assertive Russia under President Putin developing a new relationship with China and increasing its presence in the region. As technology makes the oil and gas resources of Siberia more accessible as well as opens the Arctic route more and more, the logic of geography will accelerate this process.

Japan has amended its constitution under Prime Minister Abe, allowing its forces to act abroad under certain conditions. It has begun testing its own defence export potential starting with coastguard vessels and amphibious aircraft. Its Navy now participates in the Malabar exercises along with the US and Indian Navies. It must have drawn its own lessons from the Trump-Kim summit and it will not be surprising if it focusses more on enhancing its own defence capabilities. Regional developments underline for it the logic of strengthening ties with India.

The rapid growth in the Indo-Pacific has not been even. Some countries started growing faster earlier than others leading to a redistribution of comprehensive national power. There is now an increasing competition between Asian powers especially for resources and markets. China whose growth has been more rapid in the last three decades is perceived as trying to dominate the region, especially its economic space. The new China centred connectivity, the Belt and Road Initiative (BRI), a unilateral initiative is an important component of this effort. It is a quest for domination which is naturally being challenged by other regional powers who see a strategic threat to their own interests and wish to safeguard them and preserve their own strategic economic space. This is especially true of the members of the 'Quad', and within the 'Quad', of India.

Economic growth in the region has been accompanied by rising defence expenditures and acquisition of arms. China today has the largest at around USD170 billion; Japan has considerably increased its own to around USD 60 billion; India's is around USD 50 billion. US's remains much larger at around USD 750 billion. The increasing Chinese defence spending coupled with uncertainty over Chinese behaviour has its effect on peace and stability. There is increasing stress on regional fault-lines, boundary tensions, such as between China-India, China-Vietnam, China-Japan in the East China Sea and China-US/Taiwan as well as disputes in the South China Sea. The activities of North Korea continue to be worrisome. Regional differences and disputes could have deleterious effects on sea lanes of communication (SLOCs) and consequently on trade and maritime security.

The present situation is that the US continues to maintain the largest security presence in the region. However, its behaviour has been somewhat erratic of late and transactional. Its focus on 'making America great again', could impinge on the interests of regional countries.

The US and China strategic competition in the region is putting pressure on the order, which obtained in the region for the last three decades. This order, based to a large extent on the US being the only hegemon present, is coming under increasing stress from the rise of China, its growing economic, military and maritime power. There will consequently be a reordering of the Asian economic and security architecture. Chinese President Xi Jinping has suggested a 'new model of Great Power relations' with the US, saying 'both countries must accommodate each other's core interests, avoid strategic miscalculations and properly manage differences'. The developments in the Korean peninsula are perhaps a manifestation of this and of the reordering of the US presence in the region. But just a bilateral US-China accommodation even if it happens will not meet the requirements of the other regional powers.

There is consequentially a requirement for the creation of fora and institutions to help bridge differences and create an architecture which will be inclusive and promote regional peace and stability and economic prosperity. It would be desirable not to

follow traditional balance of power through alliances but to harness countries together for the creation of an open, inclusive and rule-based structure in the region.

The structures and processes created by ASEAN could be supported and built upon as they provide the basis for achieving this objective. ASEAN today has become the nucleus for the confidence building economic and security structures and institutions that are emerging in the region such as the East Asian Summit (EAS), the ASEAN Regional Forum (ARF), the ASEAN Defence Ministers Meeting plus (ADMM+) and in the negotiations for the creation of a region wide free economic space – Regional Comprehensive Economic Partnership (RCEP).

Such cooperation would also better address the slew of non-traditional threats, narcotics, terrorism, pandemics, natural disasters, etc. which afflict the region, and provide security to SLOCs crisscrossing the ocean and in protecting global commons from piracy. It is through these SLOCs that trade, the life-blood of the region, flows and through which China, Japan, South Korea and India import over 70 per cent of their oil and gas requirements and around 80 per cent of that from the Gulf.

India, which has a strategic partnership with ASEAN accepts ASEAN centrality in the evolving economic and political architecture of the region. India has declared that it will cooperate in building open, inclusive, rule-based structures that safeguard peace and security, respect international law, United Nations Conventions on the Law of the Sea (UNCLOS), freedom of passage in high seas and global commons. Sitting atop the Indian Ocean with a modernising Navy, India by itself and through organisations like Indian Ocean Rim Association (IORA) and Indian Ocean Naval Symposium (IONS) seeks to create a collective community to deal with contemporary challenges and promote cooperation.

Speaking at the Shangri-La Conference in Singapore on 01 Jun 2018 this year, Prime Minister Modi said *“India’s own engagement in the Indo-Pacific Region – from the shores of Africa to that of the Americas - will be inclusive.we will promote a democratic and rules-based international order, in which all*

nations, small and large, thrive as equal and sovereign.....we will work with others to keep our seas, space and airways free and open; our nations secure from terrorism; and our cyber space free from disruption and conflict. We will keep our economy open and our engagement transparent. We will share our resources, markets and prosperity with our friends and partners. We will seek a sustainable future for our planet”.

India has made special efforts to reach out to the countries of the region through its “Act East” policy and especially to the US, Japan, Australia and its ASEAN neighbours. In this context, note should be taken of the India-US Joint Statement as well as the US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region issued during President Obama’s visit to India which envisaged India and the US building on their partnership to support sustainable and inclusive development in the region, the subsequent US-India joint statements and the recent renaming of the US Pacific Command as the Indo-Pacific Command.

Nevertheless in keeping with its multi-vectored foreign policy and its efforts for building a collective community based on consensus, India has also reached out to China. The decisions arrived at by the leaders at the India-China Informal Summit at Wuhan in April 2018, are equally important and were reported as being that the two leaders “believe that the simultaneous emergence of India and China as two large economies and major powers with strategic and decisional autonomy has implications of regional and global significance; peaceful, stable and balanced relations between India and China will be a positive factor; and, (they believe) in the importance of building an open, multipolar, pluralist and participatory global economic order which will enable all countries to pursue their development and contribute to the elimination of poverty and inequality in all regions of the world.

The region looks toward peaceful rise of China and this will require it to respect the sentiments it expressed at Wuhan. This will also require India, US, and other major powers in the region to do likewise. This course of action will best satisfy the aspirations of the people of the region. The need of the hour is for all to join

hands to create an Asia with large and small nations as cooperative partners.

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