

OUTCOME DOCUMENT

QUAD OR SQUAD?

23RD JULY 2020



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SECTION I

AGENDA – TIMELINE – BIO OF PANELISTS

The Quad grouping traces its roots to the co-ordinated disaster rehabilitation efforts between the US, India, Australia and Japan in response to the Dec 2004 Tsunami. After a flurry of [ensuing activities](#), in 2007, the Quad was established as a diplomatic and maritime security dialogue.

The grouping was often referred to as an opportunistic [axis of democracies](#) to contain China; the excitement about the Quad abated after some closed-door consultations and a few maritime military exercises. The 2007-2008 global financial crisis coupled with individual hesitations within the Quad, overwhelmingly tipped the balance in favour of economic engagement with China over strategic realities. This imbalance, largely aimed at reducing friction with China through economic pursuits, put the Quad in suspension by 2008.

The promise of China's co-operation, however, did not materialise. Since 2008, world leaders have tried to engage with China, in the hope that deepening economic engagement would constrain China from any military adventurism. On the contrary, this approach has met with disappointment and burdened irreversible strategic costs on each nation, irrespective of the degree, depth and expanse of their bilateral economic arrangements with China.

This realisation on the back of increased Chinese economic coercion and military assertiveness, led to the Quad being revived in Nov 2017 with [officials from the four Quad countries meeting in Manila](#) on the side lines of the 12th East Asia Summit.

If the 2007-2008 Global Financial Crisis was responsible for tipping the scale in favour of economic engagement with China, the COVID-19 pandemic crisis has accelerated a movement in the opposite direction within the Indo-Pacific and across the globe. There is increased urgency to create a coalition of like-minded powers to dilute Chinese assertiveness, while China has grown even more aggressive in its diplomacy and its military posturing in the South China Sea, East China Sea and along the India's northern borders – all while the world is engaged in fighting COVID-19.

The Quad can be the first line of defence, it must respond by operationalising not just the military exchanges but also formalising economic and technology partnerships that will undergird a meaningful new multilateral, provide it with resilience and appeal in the Indo-Pacific region.

This Webinar will focus on Quads ability to stitch together a reliable and resilient chain of partners in the region – a “Plus Quad” rather than a “Quad plus”, that can collectively place strategic deterrence and economic costs on Chinese adventurism in the short term and in the longer term aspire to reformed multilateralism. The webinar will include discussions on four likely areas of cooperation and contestation (*included in the agenda*). It will be moderated by Gateway House and will include three experts discussing the agenda.

AGENDA

The webinar will focus on the following issues

SECURITY CO-OPERATION

Objective: Historically the security co-operation agenda of Quad has been limited to the maritime domain. Since the beginning of this year, each Quad member has faced different dilemmas resulting from Chinese actions – diplomatic, military, and unconventional. As Australia recently discovered, China adopted coercive economic policies in response to its calls for investigation into the origins of COVID-19 at the WHO. India on the other hand was reminded of the unsettled land border with China. Recently, Japan reported a possible passage of Chinese submarine through the south-western contiguous zone. The US Navy also reported that a Chinese warship fired a military grade laser at one the P-8 surveillance aircrafts.

The expanding Chinese presence in the Indian Ocean, attempts to create an Air Defence Identification Zone (ADIZ) in the South China Sea, including the air space above the disputed Paracel and Spratly islands as well as the use of non-military maritime militia are unsettling to regional powers.

At present, these countries continue to operate a large network of bi-lateral or mini-lateral security engagements that seek to improve interoperability. This interoperability though a sound foundation for security co-operation, needs to be scaled up to a NATO like architecture wherein, defense co-operation expands to all facets and not limited to maritime issues. An act of aggression on one member must be recognized and acted upon by all member nations.

Can a new charter for the Indo-Pacific create a larger global coalition of like-minded partners for strategic co-operation and provide a stronger deterrence to Chinese military adventurism? How can the Quad create a *Hormuz Dilemma* akin to the *Malacca Dilemma* for China?

ECONOMIC CO-OPERATION

Objective: In Dec 2001, China was admitted to WTO with a hope that [China would liberalise to meet the rising democratic aspirations of its people](#). China has used multilateral bodies and the global thirst for open economies to its advantage to emerge as the unipolar champion of global manufacturing.

The COVID-19 pandemic has severely exposed the degree of global dependencies on value chains originating from China or value chains that are deeply integrated with China through the Belt and Road Initiative (BRI). Many countries, especially those with fragile economies are in greater danger of succumbing to Chinese debt traps thereby limiting their space to make strategic decisions that are antithetical to Chinese interests.

In May 2020, the US announced the [Economic Prosperity Network](#) (EPN) that aims to expand and diversify supply chains that protect people in the free world. President Trump also recently announced his intentions to expand the G7 to G10/11 to include all Quad members. Japan has announced a \$2 billion package to re-shore its critical companies back to Japan, while Australia has reached out to new markets in India and the UK.

How can the Quad members build around networks like the EPN and [Blue-Dot](#) to create sustainable infrastructure and economic linkages, regionally and beyond? Should Quad members like Japan and

Australia continue to participate in the RCEP? Should the US continue to negotiate a trade deal with China? What trends will shape the future of value chains and globalisation? What reforms are needed to ensure a more globalised yet less dependent economic environment?

TECHNOLOGY CO-OPERATION

Objective: COVID-19 is likely to intensify technological competition between China and the U.S., shifting their rivalry from a traditional geopolitical tussle to one for tech supremacy and tech sovereignty. A country that leads in introducing not just technologies, but the associated standards can gain significant economic dominance.

Consequently, the UK has recently announced the D10 grouping, aimed at developing 5G technology by channeling investments in the telecommunication companies of these countries. Another grouping, launched in Jun 2020, the [Global Partnership on Artificial Intelligence \(GPAI\)](#) with India as one of the founding members, aims to bring together leading experts from industry, civil society, governments, and academia to collaborate on AI. Additionally, the recent collaboration through the Quad plus platform to combat COVID-19 are signs of nations coming together for a common cause.

Beyond the COVID-19, can regional players overcome capability mismatches to democratize and develop digital technology as a common global good? What can be the answers to increasing cyberthreats, as the ones recently faced by Australia? How can industrialized European nations like UK, France and Germany converge to counter Chinese digital hegemony and cyber threats?

REFORMED MULTILATERALISM

Objective: Founded in 1945, the UN for the last 70 years has aimed to maintain international peace and security, develop friendly relations among nations, achieve international cooperation, and be a center for harmonizing the actions of nations, all through a rules-based international order.

The existing rules have not reformed to adjust to new realities, and are now out-of-date; they have failed to deter and contain outright violations by many nations. Embedded flexibilities like the non-binding nature of many regulatory outcomes and the subsequent lack of punitive deterrence to violations leaves open backdoors that provide maneuverability to those nations able to alter status quo through military and economic coercion.

This has forced smaller powers and nations to collectively negotiate outside the ambit of UN for regional harmony - like the ASEAN negotiating the Code of Conduct in the South China Sea with a China that blatantly disregards UNCLOS and its territorial limits. The Indian Foreign Minister, Dr S Jaishankar, during the recently concluded Russia-India-China virtual meeting emphasized on the importance of: 1) practice of established concepts and norms 2) need for leading voices in the world to be exemplars in every way and 3) reformed multilateralism to cater for the historical injustice and aspirations of the new world order.

How can the Quad which hosts the four leading global voices become the magnet that attracts like-minded nations, small and big cutting across continents and oceans to converge on the new world order realities?

FLOW OF WEBINAR

Date: 23 July 2020

Time: 1 hour 10 minutes (17:30 hrs to 18:40 hrs)

OPENING REMARKS

Time: 5:30pm – 5:36pm

Welcome remarks from Gateway House (3 mins)	Manjeet Kripalani , Executive Director and Co-founder, Gateway House
Opening remarks from KAS (3 mins)	Peter Rimmele , Resident Representative to India, Konrad-Adenauer-Stiftung

MODERATED PARTICIPANTS DISCUSSION

Time: 5:36pm – 6:19pm

Moderator	Manjeet Kripalani , Executive Director and Co-founder, Gateway House
Speakers	<p>Dr. C Raja Mohan, Director, Institute of South Asian Studies, National University of Singapore</p> <p>Dr. Malcolm Davis, Senior Analyst in Defence Strategy and Capability, Australian Strategic Policy Institute</p> <p>Tetsuo Kotani, Senior Fellow, Japan Institute of International Affairs (JIIA)</p> <p>Alexander Slater, Deputy Managing Director for India, U.S.-India Business Council</p>

AUDIENCE Q&A

Time: 6:19pm – 6:34pm

Moderator	Manjeet Kripalani , Executive Director and Co-founder, Gateway House
Speakers	<p>Dr. C Raja Mohan, Director, Institute of South Asian Studies, National University of Singapore</p> <p>Dr. Malcolm Davis, Senior Analyst in Defence Strategy and Capability, Australian Strategic Policy Institute</p> <p>Tetsuo Kotani, Senior Fellow, Japan Institute of International Affairs (JIIA)</p> <p>Alexander Slater, Deputy Managing Director for India, U.S.-India Business Council</p>

SUMMATION OF DISCUSSION

Time: 6:34pm – 6:37pm

Moderator	Manjeet Kripalani , Executive Director and Co-founder, Gateway House
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CLOSING REMARKS

Time: 6:37pm – 6:40pm

Closing remarks from Gateway House	Ambassador Rajiv Bhatia , Distinguished Fellow, Foreign Policy Studies Programme at Gateway House, Gateway House
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HOUSE RULES AND INTERVENTION GUIDELINES

FLOW OF DISCUSSION

Time: 1 hour 10 minutes

Welcome remarks	3 mins	Welcome remarks and introduction of topic by Moderator – Manjeet Kripalani, Gateway House. Moderator informs participants about flow of the session and house rules
Opening remarks	3 mins	Opening Remarks by Peter Rimmele, Konrad Adenauer Stiftung
Open discussion	43 mins	Discussion begins; questions asked to each of the experts on the subject by the Chair
Q&A	15 mins	Audience Q&A
Summation of discussion	3 mins	Summation of discussion by Moderator – Manjeet Kripalani, Gateway House
Closing Remarks	3 mins	Closing remarks by Ambassador Rajiv Bhatia, Gateway House

- Time will be strictly adhered to.

Note:

- No Power Point slides, audio or videos permitted.
- Bios will be shared in advance. There will be no formal introductions.

SPEAKING GUIDELINES

Participants in each session must address the policy question presented for discussion. It helps keep the discussion focused and facilitates documenting specific assessments and policy recommendations. Please use the 'raise hand' option on Zoom when seeking the Moderator's attention to make an intervention.

INFORMATION DISCLOSURE POLICY

This meeting is open to public.

PARTICIPANTS

Manjeet Kripalani

Executive Director and Co-founder, Gateway House



Manjeet Kripalani was India bureau chief of *Businessweek* magazine from 1996 to 2009. She holds two bachelor's degrees – in law, and English and history – from Bombay University and a master's degree in international affairs from Columbia University, New York. Her political career includes being deputy press secretary to Steve Forbes during his first run in 1995-1996 as Republican candidate for U.S. President in New Jersey and press secretary for independent candidate Meera Sanyal's Lok Sabha election campaign in 2008 and 2014 in Mumbai. She is currently a member of the Center for American Progress' U.S.-India Task Force, a member of the Asian advisory board of the International Centre for Journalists and the Overseas Press Club, and sits on the executive board of Gateway House, the Indian Liberal Group and Emancipation, all non-profit organisations.

Peter Rimmele

Resident Representative to India, Konrad-Adenauer-Stiftung



Peter Max Rimmele is currently the Resident Representative of Konrad Adenauer-Stiftung Office, India. He has a First Law Degree from Freiburg University, as well as a Second Law Degree from the Ministry of Justice Baden-Württemberg, Germany and a M.A. in Geography. After working as a jurist, judge and lecturer, he took public office as Ministerialrat, Head of Division at the State Ministry of the Interior in Saxony, Germany, from November 1991 on until 2000. There he first served in the Police and Security and later in the Local Government Department. On behalf of the German Foreign Ministry he served in East Timor as Registrar General, Head of Civil Registry and Notary Services (UNTAET), and became later the principal Advisor for Governance Reform for GIZ (German International Cooperation) to the Ministry of Administrative Reform and the Anti-Corruption-Commission of the Republic of Indonesia, where he served for 7 years. He then moved to Rwanda, also as Principal Advisor Good Governance/Justice Program. Earlier he was Resident Representative Lebanon, Director of Rule of Law Program Middle East and North Africa, Konrad-Adenauer Stiftung.

Dr. C Raja Mohan

Director, Institute of South Asian Studies, National University of Singapore



Professor C Raja Mohan is Director, Institute of South Asian Studies. Earlier, Professor Mohan was Professor of South Asian Studies at Jawaharlal Nehru University, New Delhi, and at the S Rajaratnam School of International Studies, Nanyang Technological University, Singapore. Professor Mohan has been associated with a number of think tanks in New Delhi, including the Institute of Defence Studies and Analyses, the Centre for Policy Research and the Observer Research Foundation. He was also the founding director of Carnegie India, New Delhi. Professor Mohan was the Henry Alfred Kissinger Chair in International Affairs at the United States Library of Congress, Washington DC, from 2009 to 2010. He served on India's National Security Advisory Board. He led the Indian Chapter of the Pugwash Conferences on Science and World Affairs from 1999 to 2006. Professor Mohan is one of India's leading commentators on India's foreign policy. Among his recent books are *Samudra Manthan: Sino-Indian Rivalry in the Indo-Pacific* (2013) and *Modi's World: Expanding India's Sphere of Influence* (2015).

Dr. Malcolm Davis

Senior Analyst in Defence Strategy and Capability, Australian Strategic Policy Institute



Dr. Malcolm Davis joined ASPI as a Senior Analyst in Defence Strategy and Capability in January 2016. Prior to this he was a Post-Doctoral Research Fellow in China-Western Relations with the Faculty of Society and Design at Bond University and he currently retains an Honorary Assistant Professor position in the Faculty. He has worked with the Department of Defence, both in Navy Headquarters in the Strategy and Force Structure area, and with Strategic Policy Division in the Strategic Policy Guidance and Strategic External Relations and Education sections from November 2007 to March 2012. Prior to this appointment he was a Lecturer in Defence Studies with Kings College London at the Joint Services Command and Staff College, in Shrivenham, UK, from June 2000 to October 2007. He holds a PhD in Strategic Studies from the University of Hull as well as two Masters degrees in Strategic Studies, including from the Australian National University's Strategic and Defence Studies Centre. His main research focus is on defence strategy and capability development, military technology, and the future of warfare.

Tetsuo KOTANI

*Senior Fellow, Japan Institute of International Affairs (JIIA)
Professor, International Relations, Meikai University*



Mr. Tetsuo KOTANI is a professor of international relations at Meikai University and a senior fellow at the Japan Institute of International Affairs (JIIA). His research focus is Japan's foreign/security policy, the US-Japan alliance, and international relations and maritime security in the Indo-Pacific region. He won the 2003 Japanese Defense Minister Prize. He has published numerous articles both in English and Japanese, and his recent English publications include "Crisis Management in the East China Sea" (SIPRI Policy Brief, 2015) and "China and Russia in the Western Pacific: Implications for Japan and the United States" (National Bureau of Asian Research, 2019). He received a master's degree from Doshisha University.

Alexander Slater

Deputy Managing Director for India, U.S.-India Business Council



Alexander Slater is Deputy Managing Director for India at the U.S.-India Business Council, where he brings professional skills and experience in the fields of law, finance, global development, international affairs, strategy and communications. Slater previously served as an advisor and speechwriter to the President of the World Bank; worked as a Senior Financial Officer in the World Bank Treasury; practiced law at O'Melveny and Myers, where he advised CEOs and senior executives in matters of white collar defense, corporate and Congressional investigations and regulatory review of foreign investment in the United States; and served as a foreign policy advisor and speechwriter to U.S. Senator Charles Schumer. Slater also clerked for Judge Barrington Parker on the U.S. Court of Appeals for the Second Circuit and worked in the City Government of New York, where he was an Urban Fellow. Slater was born in New York City and grew up in Toronto and has visited India numerous times over the past 20 years. He holds a BA in history from Yale University, a JD from Harvard Law School and a masters in international relations from Oxford, where he was a Commonwealth Scholar.

Ambassador Rajiv Bhatia

Distinguished Fellow, Foreign Policy Studies Programme at Gateway House



Ambassador Rajiv Bhatia is a Distinguished Fellow, Foreign Policy Studies Programme at Gateway House. He is a member of CII's two bodies: International Trade Policy Council and Africa Committee. He served as Chair of FICCI's Core Group of Experts on BIMSTEC and continues to head its Task Force on the Blue Economy. He is a founding member of the Kalinga International Foundation. As Director General of the Indian Council of World Affairs (ICWA) from 2012-15, he played a key role in strengthening India's Track-II research and outreach activities. During a 37-year innings in the Indian Foreign Service (IFS), he served as Ambassador to Myanmar and Mexico and as High Commissioner to Kenya and South Africa. He dealt with a part of South Asia, while posted as Joint Secretary in the Ministry of External Affairs. A prolific columnist, who has also written a critically acclaimed book, *India-Myanmar Relations: Changing Contours* (Routledge), he is a frequent speaker on foreign policy issues in India and abroad. He was Senior Visiting Research Fellow during 2011-13 at the Institute of South East Asian Studies (ISEAS), Singapore. He holds a master's degree in political science from Allahabad University.

OBSERVERS

- **KAS OBSERVERS**
 - Pankaj Madan, Deputy Head, India Office
 - Simran Dhingra, Programme Officer
 - Ashish Gupta, Programme Officer
 - Neha Aneja, Programme Executive
 - Prableen Kaur, Finance Officer
- **OTHER OBSERVERS**
- Cdr. Amrut Godbole, Indian Navy Fellow, Gateway House
- Amit Bhandari, Fellow, Energy and Environment Studies, Gateway House
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- Sifra Lentin, Bombay History Fellow, Gateway House
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- Kunal Thakkar, Intern, Gateway House
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- Gitanjali Dasgupta, Intern, Gateway House
- Lakshesh Sihag, Intern, Gateway House

SECTION II

KEY FINDINGS

❖ **Convergence in Divergence:** Chinese actions since the beginning of this year have accelerated major shifts in the global strategic outlook, that were seen only during the second World War and fall of the eastern bloc. Wary of a new-age cold-war rivalry between the US and China, the converging world view is to prevent a bipolar world order. by reforming the existing multilateral order, to create one that is connected by flexible and overlapping layers of co-operation within the Quad and beyond.

In the last two years the Quad has begun to crystallize into a like-minded grouping, whose members have worked to overcome significant internal hesitations. The Quad must now move purposefully forward to build deeper institutional co-operation within before it can broaden to a formalized 'Quad Plus'.

❖ **Quad Co-operation: defence, tech, trade:** Global domination used to be reflected through an arms race, then a space race. Now it is through a techno-digital race, with China aiming for supremacy, aided by its opaque civil-military fusion policy, the Quad must therefore: -

- Strengthen defence diplomacy as a credible counter to revisionist Chinese expansion. Australia's likely inclusion in the Malabar exercise is a step towards a Quad consolidation.
- Decouple from China by creating economic and technological bubbles within the Quad to develop alternate supply chains in sensitive and critical sectors like 5G/6G in telecom, Internet of Things (IoT), Industry 4.0, cybersecurity, space exploration and a rare-earth industry. The Quad countries are all significant space and technology R&D hubs, and their cooperation can checkmate the *Chinese Digital Silk Road* and *Space Silk Road*.
- Within Quad, there is no agreement on trade. Therefore, it is necessary to build consensus by working on common agendas like WTO reform, writing the new rules for digital and data standards with higher standards. Separately, Australia and Japan must review their participation in a China-led RCEP, as they pursue decoupling with China.
- US allies are under pressure to increase their defence spending, which is still low, under 2% of GDP. This prevents them from joining a military arrangement in the Indo-Pacific, but they want to enter the strategic arrangement through trade and multilateral routes.
- The Quad is a workable mini-lateral. Its agenda will find resonance in other groupings working for a broader reformed multilateralism like the expanding G7 to a G10/G11, the UK-led D10, and the German-led Alliance for Multilateralism.
- The term 'inclusive' to describe the Indo-Pacific, was not brought up by the Quad discussants – a difference from a year ago.

❖ **India in the Quad:** India to strengthen itself to contribute to the Quad: -

- Accelerate internal 'rearrangement' especially in the commerce and defence sectors to be a serious beneficiary of the global decoupling from China.

- Develop institutional capacities and overcome historic hesitations in trade and defence, to work with partners within smaller trade bubbles and minilateral alliances. In particular, India as a significant emerging digital player, must engage in multilateral groupings for the establishment of digital rules and lowering barriers to data flow.
 - Quickly conclude reciprocal logistics agreement with Japan, to become a fully-engaged member of the Quad.
 - Leverage the islands of the Indo-Pacific for geo-strategic advantage: India can consider building a Quad infrastructure in the Andaman and Nicobar Islands.
- ❖ **Germany and the Quad:** Policy-makers are abandoning Germany's *Change through Rapprochement* policy with China, where its business benefitted. German public opinion on China has soured and is now meshed with the world view because of Chinese political pressure through those business links. Germany and Europe have a stake in a free, open and balanced Indo-Pacific. These interests align with the values of the Quad partners. Germany should therefore commit and flank the Quad's aims and missions.

SECTION III

WEBINAR TRANSCRIPT

Notes

Introduction: Manjeet Kripalani

- Welcome to the Gateway House-KAS webcast, part of a continuing partnership between two institutions.
- How can this become the new multilateral in a world where all kinds of transformations are taking place – strategic, technological and global health.
- How can we build an undergirding for this multilateral, particularly economic and technological?

Opening Remarks: Peter Rimmel:

- Witness to the biggest shift in the international order.
- Difficult to talk about the changes without talking about China, which seems to have become a lynchpin where the current threats converge.
- Be it in the Himalayas, Wuhan or in Taiwan, the footprints of the dragon are present. These actions demand credible counter-positions.
- India and the Quad must be commended for taking a stand.
- The public opinion in Germany, especially with respect to its relations with China, has followed the world trend and has largely soured.
- Germany is stuck in a quandary regarding China. Politically and economically, Germany has pursued a line between cooperation and confrontation, which is different from the Indian approach of coordination and confrontation.
- The German industry has established links with the East, lured by cheap labour and easy access.
- Politically, it was encouraged under the long running motto of “change through rapprochement”.
- There is still no consensus in Germany on stronger engagement in world affairs.
- German civil society has been highly skeptical of armed forces.
- Germany however is not a military power and they do not wish to be one, especially in the Indo-Pacific.
- Even with the European partners, we play a miniscule role in the vast ocean. However, our interests are aligned with the Quad countries.
- As Europeans, we have an interest in an open, free and balanced Indo-Pacific that provides free trade routes with equal access to all.
- It is important for us Europeans to not stand idly by but stand with the Quad.
- Caution is advised and aggression is not the answer.
- The new multilateral cannot be an exclusive design.
- The Quad could be one of the instruments to avoid a bipolar world.

Manjeet Kripalani to C. Raja Mohan

- It is necessary for the Quad now to grow beyond the squad, and evolve into a broader multilateral framework, cooperating on issues beyond security. What could be the elements of such a cooperation?

C. Raja Mohan

- It is only in the last two years that the quad has gotten regular engagement. It is too early to talk about it as a new multilateral framework.
- Each country has distinct relations with each other within the quad
- Now, there is the idea of a quad plus. There are multiple forums being explored.
- President Trump has talked about G-10. The British have talked about D-10 i.e. Democracy-10. Joe Biden talked about a democracy summit.
- We should proceed purposefully, but, not in the way that Quad will become some kind of a core around which the larger institutions can be made. We don't know what the Quad will become.
- Quad should be strengthened and should flexibly engage with different partners at different places. This should be the strategy

Manjeet Kripalani to Tetsuo Kotani

- Recently the Japanese Defence Ministry released a White Paper. Japan and India have territorial issues with China, whereas the US and Australia look at it through a maritime security lens. What are Japan's immediate expectations of the Quad and the Quad Plus?

Tetsuo Kotani

- China has been challenging the administration of the Senkaku Islands in Eastern China Sea
- US is clear in its support to the Japanese position, including in the case of a contingency w.r.t the Senkaku Islands.
- However, there is a concern inside Japan; the Obama administration was also committed to the Senkaku issue but took a somewhat neutral stand.
- Trump administration is much tougher on China, which is a welcome step. However, it is also tough on its allies. This is a concern for Japan.
- Although Japan and US have enhanced their joint fighting capabilities, the primary challenge Japan now is that of maintaining the credibility of the alliance.
- Australia is expected to be the one to support Japan in the scenario of a problem in the East China Sea.
- Australia recently revised its Defence Strategic Vision. Australia's new focus on long range strike capabilities, offensive cyberattack capabilities and anti-submarine warfare capabilities, might be helpful for Japan's defence efforts if a contingency arises in East China Sea.
- At the same time, Australia is focusing more on its immediate neighbourhood.
- India is not expected to be directly involved in the East China Sea contingency. However, some moral support is expected.
- Also, India is expected to carry out some disruption operations in the Indian ocean vis a vis China, which would help Japan to deal with the situation in the East China Sea.
- Beyond the Senkaku Islands issue, the more urgent agenda for the Quad members is a possible contingency across the Taiwan Strait.
- The Quad members should start discussing how to deal with a possible Taiwan contingency.

Manjeet Kripalani to Malcom Davis

- Australia has been the most active member of the Quad. It has provided the scope beyond security, especially in the technology sector to counter China's Digital Silk Route. What has Australia been doing in this area?

Malcolm Davis

- A Defence Strategic Update was released this month. This replaces the 2016 white paper.
- The key message from that document is that the strategic outlook that we face has deteriorated faster and further than what was anticipated in 2016. This is primarily because of a rising China that is determined to overturn US strategic prophecy and impose its own community of common destiny, own order in the regional environment.
- Australia is determined to pushback against this. For this, it needs to strengthen its relationship with the US and also the Quad.
- The recently released white paper, apart from talking about long range strike capabilities, also talks about defence diplomacy. This dimension talked about boosting relations with the US, etc.
- A Quad plus can include South Korea, Vietnam and New Zealand as a logical step towards defence diplomacy.
- Through this, Australia can work with others to kind of balance and not contain China.
- We cannot contain China, but we can decouple economic and technological structures from China, including supply chain issues.
- How do we resist Chinese pressure to impose a Digital Silk Road from dominating our communication and information systems?
- It is critical to decouple the supply chain from China. We ignore the opportunities not only in Australia but also in the other Quad states for developing new supply chains, new approach to sovereign manufacturing, through 4th Industrial Revolution (4IR) including 3-D printing. This will reduce their ability to coerce Australia and other nations.
- Australis has led the way in banning Huawei. It was a threat to national security and critical information infrastructure.
- The notion that Huawei won't engage in data theft is complete nonsense.
- There shouldn't be no reason as to why the Quad states cannot develop their own 5G abilities to offer an alternative to regional reliance on Huawei.
- Huawei can be checkmated via constellations of satellites that would come up in the next decade in the Lower Earth Orbit as all the Quad countries are space powers.
- This would go a long way towards undermining China's space power which is based around the BeiDou constellation.

Manjeet Kripalani to Alexander Slater

- The US Presidential elections are three months away. Can this be seen as an operational pause to the Quad?

Alexander Slater

- In the US discourse, there is bipartisan support to the Quad.
- The Quad is in the process of being institutionalised (regular meetings are being held between the Quad countries).
- The Quad will become a forum for larger discussions of issues beyond defence and geopolitics, to economics. There are regular meetings and it is being institutionalized.
- The reasons for this are positive, especially economic, and not just limited to a strategic reaction to a rising competitor.
- The Quad is a way to preserve a rules-based and values-based international order.
- The real question is not if the Quad or when the Quad, but how will it be and how fast will it go?

Manjeet Kripalani to Alexander Slater

- Nisha Biswal, President, USIBC said that the US was likely to partner with India on 5G. Is there a scope for cooperation to expand beyond this bilateral? Is it possible for companies (US, Australian, Japanese and Indian) to create a syndicate for working on these technologies on their own without the governments telling them what to do? Can India be involved in the Five Eyes?

Alexander Slater

- At the USIBC's Ideas Summit, both Narendra Modi and Mike Pompeo talked about being trusted partners.
- Trust lies at the centre of the Five Eyes.
- The Five Eyes may take time but its surely possible.

Manjeet Kripalani to Malcom Davis

- Technology is dependent on rare earth. China owns majority of the rare earth materials. Australia is a good alternative with its plentiful rare earth supplies. Japan and the US have a strong R&D base. India has a very big market. This completes the whole supply chain. How can we move forward connecting these complementary and critical links?

Malcolm Davis

- It is a bad idea to allow China global control of rare earths when we have alternate sources of supply that are easily accessible and reduce China's ability to use these rare earths as a means to coerce states to do its bidding.
- There has to be a government level engagement with allies within the Quad and beyond the Quad for best utilisation of the available resources.
- We have kind of mortgaged our economy to China.
- We must decouple our economy, our supply chains, or build new supply chains, identify new strategic resources.
- Need to be smart and look beyond the immediate dollar benefit of trading with China.
- We need to realise that we have the resources that our allies could use. This goes to the issue of sovereign manufacture, which is not just providing the rare earths to the US or the other Quad states.
- These rare earths can be utilised in Australia to manufacture high tech goods that Australia can benefit from, in the economics sense.

Manjeet Kripalani to C. Raja Mohan

- Given the decoupling from China that is being acted upon, how can India couple with the economies of the Quad and be part of the new supply chain? What geostrategic and geo-economic shifts can be foreseen to be that are led by India in terms of the pursuit of multilateralism under Prime Minister Modi?

C. Raja Mohan

- We need to be part of the reorientation of the supply chains. We need greater resilience, enter into more economic partnerships with the Quad and the West.

- India is beginning to decouple, for e.g. on the digital side. Major US tech companies are moving in. Airtel has got its own Blue Jeans app.
- The government needs to facilitate rebuilding or expanding economic engagement in a structural way with the democratic world. This is now a strategic necessity.
- The political imperative for redoing the supply chains has just begun. It will need a lot of policy initiatives on the commercial side, which is not a foreign policy issue. This is required to attract foreign investment.
- On multilateralism, India is part of the WHO. The whole Quad Plus initiative is about designing new forms of multilateralism.
- One of the big changes that is happening today is a coalition of like-minded democratic states that can work together, in sectors of trade, health diplomacy, digitisation, etc.
- However, this requires much stronger Indian initiatives to take it forward.

Manjeet Kripalani to Tetsuo Kotani

- The world made a huge investment in China when it brought it to the WTO in 2001. There are constant complaints against India in this regard, but in reality, it has not had a lot of help. Japan in particular, has been very unhappy with India for not signing various trade agreements.
- For India to be a productive, useful member of the Quad, it needs to brought into some of the major trade agreements. Is it time for the Quad to think about new partnerships from the beginning, to bring a grouping that binds everyone together, not in strategic interest, but in everyone's mutual interest?

Tetsuo Kotani

- Do the Quad members share the same vision on trade and economic architecture? No.
- Japan's position is to conclude the TPP with US in and conclude RCEP with China in, without making bilateral deals with US and China.
- Japan was hoping for India to counterbalance China in the RCEP, but India withdrew and seems like it is still difficult for India to join a multilateral FTA.
- In Japan, there is a discussion whether they should stay in RCEP considering US is out of TPP and India is out of RCEP. There is no conclusion yet.
- However, the Quad countries could cooperate for WTO reform and rulemaking with respect to digital transaction and digital data management
- TPP has provisions on digital transaction, but it is not necessarily high standard.
- Quad can be co-operate on rule-making for high standard digital data management and transactions vis a vis China's Digital Silk Road.

Manjeet Kripalani

- With India now going to be the president of the G20, some of that work can already begin. CIGI has been talking about a Digital Bretton Woods.

Audience Q&A

Question:

- US Secretary of State Mike Pompeo stated that India is also part of the group of like-minded nations when it comes to the Quad. If the Biden administration comes, is it still going to be the same?

Alexander Slater

- Yes.
- The US business community is much invested in US-India partnership.
- US capital is flowing into high tech platforms in India. Google, Facebook, etc. have already invested over \$10 billion in Jio.

Question

- Why not ask Space X to get rare materials from the asteroids? Could that be part of the Quad initiative?

Alexander Slater

- We can get rare earth materials closer to home
- Refining is the challenge, not the procuring.

C. Raja Mohan

- Japan tried to work with India on rare earth when China imposed sanctions on them in 2011.
- India really needs to reform this sector that changes its laws.
- The key is whether India opens up this sector.

Question

- If C. Raja Mohan were to be the Foreign Minister of India, what would be his three priorities?

C. Raja Mohan

- Foreign office is a management agency. It can bring in ideas, coordinate the engagement between governments. However, they are not the executive agency. It can't improve business environment in India. The real task is not at the foreign ministry level but at the commerce, economic and defence side
- Improving our domestic act, internal policies will automatically create opportunities on the foreign policy side. People are waiting for internal changes in India. We should make ourselves more business-friendly.
- What we do in the domestic space is going to transform the way we interact/relate with the world.

Question

- With respect to the Quad Plus, how would a communist country like Vietnam be comfortable with joining a group of democracies? They would have differences in interpreting contentious issues like human rights, even though countries like India, Vietnam and Japan have largely been neutral on such issues

Tetsuo Kotani

- From the Japanese perspective, Vietnam has strong potential to become partners for regional affairs.
- However, the actual approach has been low key due to difference in regimes.
- It is not easy to find a direct answer but a realistic approach to regional affairs is needed.

Question

- How is Australia going to get Port Darwin from China?
- The members of the Quad could possibly think of tax and other exemptions for production of technology for the Quad by the companies situated in the Quad countries.

Malcolm Davis

- Chinese claim that they own Darwin islands for 99 years, but it is on Australian territory.
- It doesn't set a good example to take it back in peace-time but in war-time we could do that.
- Last thing we want to do is impose taxes that stifle businesses.

Question

- How do you perceive the Quad Plus in the Indo-Pacific?

Malcolm Davis

- Has great potential.
- More meetings needed.
- New Zealand is an important partner in terms of South-West Pacific.
- Quad needs to look beyond the immediate region of the Indo-Pacific.
- South Korea is an important player.

C. Raja Mohan

- New idea of likeminded countries coming together has arrived.
- Interesting to see how it will be institutionalized.
- A coalition which is willing to work together, with shared values, not just political, but also economical is required.
- India has a huge role to play. We have had hesitations in working with our partners, or engaging in political cooperation.
- We need to overcome the habit of being reluctant to working together.
- Need to develop institutional capacities to work with other countries.
- India to look at minilateral cooperation.

Question

- There is a new maritime global order in the making. The Andaman and Nicobar Islands, where the tri-services command is located, should also be the headquarter for the Quad?

Malcolm Davis

- Australia is keen to play a role in the Indian Ocean.
- Keen on the Malabar naval exercise.
- Prospect of both India and Australia to open up islands to each other in their territory for an increased reach (A&N, Coco and Christmas Islands).
- Collaboration on airborne surveillance; Unmanned systems, Space based missions, reconnaissance is needed.
- Should work together on integrated under-sea surveillance.

C. Raja Mohan

- Andaman & Nicobar Islands need to be opened up by the government and leverage as a platform for cooperation with our partners, and not to be kept as a closed and protected hub.

Closing Remarks: Ambassador Rajiv Bhatia

- Quad needs support of countries from the region and other regions.
- The European dimension is very important.
- There is a striking convergence between the Quad countries, especially in the technical cooperation (rare earths, space, etc.).
- To work on 5G together would lead to a wonderful outcome
- On trade and economics, there is broad convergence on decoupling from China, but there is divergence when it comes to regional trade arrangements
- New Delhi finds it perplexing as to how Japan and Australia are still on board with RCEP
- The aim is to counter-balance China.
- The age of expansionism is over. This is the age of development.
- Until December 2019, much of the world was still talking about an inclusive Indo-Pacific region. However, that is not the case now.