

OUTCOME DOCUMENT

INDO-PACIFIC: NEW GEOSTRATEGIC REALITY

30TH JUNE 2020



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SECTION I

AGENDA – TIMELINE – BIO OF PANELISTS

The Indo-Pacific construct is a conglomeration of multiple linkages between nations that are shaped by trade, infrastructure, diplomacy and national security dimensions. In the pre-COVID era, the economic rise of China ushered economic prosperity to many in the region, albeit at a cost of diminishing strategic autonomy. In the bipolar power struggle, many of these countries sought to strike a balance between Chinese economic heft and strategic alliance with U.S.

The Indo-Pacific had already begun to attract global strategic attention ever since the US renamed the Pacific Command to 'Indo-Pacific Command' in May 2018. Subsequently, the US-China trade war and the economic fallout of COVID-19 pandemic have forced nations to reconsider their over-reliance on Chinese value chains and technology.

As China recovered from the pandemic in March this year, it renewed military aggression in the South China Sea, East China Sea and along the Indian borders. Such aggression is unsettling to regional powers, causing them to push back against Chinese foreign and military agendas. The Corona pandemic has heightened the regional urgency to develop strategies that can dilute Chinese activity in the Indo-Pacific.

The post COVID Indo-Pacific Imaginarium will have to work around multiple challenges, mostly originating from the expanse of Chinese economic, diplomatic and military actions in South China Sea, Indian Ocean, South Pacific and Africa. The renunciation of leadership by US in multilateral forums is adding to global uncertainty, but more so in the Indo-Pacific.

Is there a need to set a common agenda – a framework around which to build a multipolar order in the Indo-Pacific? Can regional players engage with China in drafting such a framework that not only indicates inclusiveness but will also help evaluate China's resolve, or the lack of it, towards an inclusive approach for engagement in the Indo-Pacific, or can groupings like Quad, provide a new security?

This Webinar will focus on strategic and economic imperatives that can bring greater convergence amongst the regional powers in the Indo-Pacific. The webinar will include discussions on four likely areas of cooperation and contestation (*included in agenda*) in the Indo-Pacific. The webinar will be moderated by Gateway House and will include three experts discussing the agenda.

AGENDA

The webinar will focus on the following issues

SECURITY

Objective: The strategic pursuit of a free and open Indo-Pacific has led to many alignments in the shape of bilateral, trilateral and multi-lateral engagements like Quad. The inclusive nature advocated by regional powers to accommodate China contrasts the rules-based order promoted by the U.S. The pandemic has served as a catalyst for the Quad to evolve and expand beyond the partnership of democracies by including Vietnam, ROK and New Zealand, although to fight the pandemic for now. Philippines' recent U-turn on its pre-Covid decision to terminate the Visiting Forces Agreement with the US, Indonesia's decision not to enter into negotiations with China on SCS and Singapore PM's statement emphasizing the vitality of U.S. security presence to Asia-Pacific are all signs of strategic rebalancing in the post-COVID era. Can strategic imperatives continue to remain prominent over economic imperatives? Will the Quad-plus be formalized?

TRADE

Objective: The economic fallout of COVID-19 pandemic and the U.S.- China trade war has resulted in countries looking to move away their critical supply chains from China. Countries like Japan have offered substantial incentives for companies shifting away from China back to Japan. India has resorted to screening of FDI from neighboring countries – a move that is largely seen to check Chinese investments in India. In spite of the strong policy measures and repeated optics of *China plus One* model, the U.S. is still in talks with China on the Phase II of the trade deal. Similarly, South Korea, Japan and China are still negotiating an FTA, a Chinese included RCEP is still on the table? What are the trends that will shape the future of trade in the region? Where does India stand with respect to the recent initiatives such as *Atmanirbhar Bharat* and *Vocal for Local*?

INFRASTRUCTURE

Objective: The Belt and Road Initiative (BRI) is primarily designed to make China’s own economic development more sustainable. Chinese investments in infrastructure through the flagship BRI have been a growing cause of concern. These range from unsustainable debts, sovereignty of assets, dual-use, political influence and corruption. Investments in digital infrastructure are perhaps more sensitive than investment in hard infrastructure. What role can lending institutions play at creating a regulatory framework for sustainable investments in infrastructure? Can an alternate model like the Blue Dot Network evolve to counter growing Chinese influence across the globe? How can nations at large but especially cash starved nations in the post-COVID environment resist the temptation of easy Chinese money? What role can the European Union play at fostering sustainable infrastructure?

AN INDO-PACIFIC CHARTER

Objective: The fight against the pandemic should have ideally resulted in greater co-operation amongst nations. On the contrary, the power struggle between U.S. and China has further weakened multilateral organizations like WHO and UNSC. In the context of the Indo-Pacific, countries advocating a broader convergence in the region, do not seem to individually agree on its precise definition. Though there is an underlying solidarity on sustainable economic connectivity, rules-based order, respect for sovereignty and avoidance of using economic or military coercion in resolving international differences, there is lack of a common framework that can bind the regional players. The ASEAN nations have been negotiating a Code-of-Conduct in the South China Sea, but recent Chinese actions in the region has questioned their ability to negotiate.

Can a larger Indo-Pacific charter be developed, engaging more players including China? What can be the elements of such a Charter? Can this charter give shape to a new world order as the Atlantic Charter did during World War II?

Key findings will be shared on the next working day of the scheduled Webinar. The detailed webinar outcome document will list the ideas discussed, learnings and suggest possible future collaboration.

FLOW OF WEBINAR

Date: 30 Jun 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 Rimmel , 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>Rear Admiral Sudarshan Shrikhande, Former Head of Naval Intelligence; Former Flag Officer Doctrine and Concepts, Indian Navy</p> <p>Captain James E Fanell, Former Director, Intelligence and Information Operations, US Pacific Fleet, US Navy</p> <p>Rahul Bajoria, Director & Chief Economist, India and Antipodeans, Barclays Investment Bank</p> <p>Elena Atanassova-Cornelis, Senior Lecturer in International Relations (Asia-Pacific), University of Antwerp</p>

AUDIENCE Q&A

Time:6:19pm – 6:34pm

Moderator	Manjeet Kripalani , Executive Director and Co-founder, Gateway House
Speakers	<p>Rear Admiral Sudarshan Shrikhande, Former Head of Naval Intelligence; Former Flag Officer Doctrine and Concepts, Indian Navy</p> <p>Captain James E Fanell, Former Director, Intelligence and Information Operations, US Pacific Fleet, US Navy</p> <p>Rahul Bajoria, Director & Chief Economist, India and Antipodeans, Barclays Investment Bank</p> <p>Elena Atanassova-Cornelis, Senior Lecturer in International Relations (Asia-Pacific), University of Antwerp</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	43mins	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.
- A warning bell with two rings will alert the speakers when there is 1 minute left
- A final warning bell with four rings will require the speakers to stop when the time is up.

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.

- Designated speakers: Responsible for giving introductory remarks to launch the discussion
- All session participants and delegates: Encouraged to participate during the roundtable discussion.
- We encourage evidence-based interventions.
- We discourage generalized assessments and repetition of facts that are already well-known.
- Please use the raise hand option on Zoom when seeking the Chair’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 Konrad-Adenauer-Stiftung, India



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 North Africa, Konrad-Adenauer Stiftung.

Rear Admiral Sudarshan Shrikhande, AVSM (Retd)

Former Head of Naval Intelligence. Indian Navy

Former Flag Officer Doctrine and Concepts, Indian Navy



Rear Admiral Shrikhande has served long years at sea, commanded three ships and been defense attaché in Australia and to other South Pacific nations. Ashore, he has been commander War Room at NHQ, headed the IN's Tactical Evaluation Group and as a Captain was a founding member of the IN's Strategy and Operations Council. In flag rank he has been head of Naval Intelligence; Chief of Staff of SNC; Joint HQ staff duties and in the nuclear forces command and Flag Officer Doctrines and Concepts before requesting early retirement in July 2016. As a veteran he continues teaching at several institutions including the NDC, all War colleges and the CDM as well as the NDA and INA spanning strategy, operational art, RMA, Peloponnesian War, Indo-Pacific geopolitics, maritime history, leadership and ethics. He has participated in Track 1.5 discussions with China and the US and is associated with the Vivekananda International, Observer Research and the National Maritime Foundations, National Security Council Secretariat as well as other institutions. He will be part of the NWC, Goa Adjunct Faculty from July 2020.

Captain James E Fanell

Former Director, Intelligence and Information Operations, US Pacific Fleet, US Navy



Captain James E. Fanell concluded a near 30-year career as a naval intelligence officer specializing in Indo-Pacific security affairs, with an emphasis on China's navy and operations. His most recent assignment was the Director of Intelligence and Information Operations for the U.S. Pacific Fleet. He served in an unprecedented series of afloat and ashore assignments focused on China, as the Assistant Chief of Staff for Intelligence for the U.S. Seventh Fleet. Ashore he was the U.S. Navy's China Senior Intelligence Officer at the Office of Naval Intelligence. Currently a Government Fellow with the Geneva Centre for Security Policy in Switzerland, he is an accomplished international public speaker most notably at AFCEA West / U.S. Naval Institute China Panels in 2013 and 2014, the U.S.-China Economic and Security Review Commission in 2017, as well as before the U.S. House of Representatives Permanent Select Committee on Intelligence in 2018. His extensive list of published works regarding China have featured in the *Wall Street Journal*, U.S. Naval Institute *Proceedings*, *Naval Intelligence Professionals Quarterly*, *Fox News*, the *Hoover Digest*, and others prominent publications. He is also the creator and manager of the Indo-Pacific Security forum *Red Star Rising* since 2005.

Rahul Bajoria

Director & Chief Economist, India and Antipodeans, Barclays Investment Bank



Rahul Bajoria is a Director and Chief Economist for India and the Antipodeans, based in Mumbai. Rahul joined Barclays as part of the graduate class of 2009 in Singapore, covering economies across the Asia-Pacific region. Prior to joining Barclays, he completed his Master's Degree in Economics at the National University of Singapore, where his primary focus was on time series econometrics and financial volatility models. Rahul has also worked at INSEAD (Singapore) and NUS Business School, looking at issues around productivity and growth, and last year, he published "The Story of the Reserve Bank of India", an in-depth history of India's central bank.

Elena Atanassova-Cornelis

Senior Lecturer in International Relations (Asia-Pacific), University of Antwerp



Dr. Elena Atanassova-Cornelis is a Senior Lecturer in International Relations of East Asia at the Department of Politics, University of Antwerp, Belgium. She is also a Professor at the School of Political and Social Sciences, Université Catholique de Louvain, Belgium, as well as a Visiting Professor at the Brussels School of International Studies (BSIS) of the University of Kent, the UK. Her research interests and expertise include international relations in the Asia-Pacific region with a special focus on security, in particular, Japan, security alliances and alignments in Asia, geopolitics in East and Southeast Asia, as well as regional security cooperation in Asia.

Ambassador Rajiv Bhatia

Distinguished Fellow, Foreign Policy Studies Programme at Gateway House



Ambassador Rajiv Bhatia is a former ambassador and high commissioner to Myanmar, Mexico, Kenya and South Africa. A prolific columnist, he regularly contributes research articles to a variety of publications on South Asia, Southeast Asia, Africa and Indian foreign policy. He is Chair of FICCI's Core Group of Experts on BIMSTEC and 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.

OBSERVERS

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SECTION II

KEY FINDINGS

❖ **Nomenclature:** The major threats to the rules-based order are magnified in the Indo-Pacific. The Indo-Pacific with its oceanic definition is self-limiting; it must now accommodate the complex geo-strategic issues beyond maritime interactions like land, and beyond Asia. The India-China border stand-off and the economic coercion of Australia by China exposed this limitation. It is necessary to create and operationalize a common framework that focuses on a rules-based order and includes co-operation across multi-domain security, trade, infrastructure and technology.

❖ **Definition:** There are many definitions for the Indo-Pacific – free, open, inclusive – used variously by its promoters: Japan’s Indo-Pacific is ‘free and open’ perhaps with a view to including China, while Indonesia’s is ‘free and inclusive’ and India’s is ‘free, open and inclusive’.

Of these, ‘inclusivity’ provokes the most differences, as it specifically refers to China. Being ‘inclusive’ makes the Indo-Pacific more palatable to regional powers but is divergent from the US definition of Indo-Pacific. In light of recent Chinese aggressions, both India and Japan, the foremost champions of an inclusive Indo-Pacific, may find Chinese inclusivity inconsequential.

❖ **Kinetic China:** In 2020, on the back of phenomenal economic growth and a significant upgrade to its military capabilities, China has abandoned Deng Xiaoping’s ‘*hide our capacities and bide our time*’ philosophy in exchange for accelerated assertiveness. The world is entering a decade of concern and uncertainty due to Chinese ambitions of establishing sovereignty beyond legitimate entitlements and settling territorial disputes using all elements of power at its disposal. The use of kinetic means where non-kinetic means fail, is the new geostrategic reality. Setting aside regional differences, nations in the Indo-Pacific and beyond must therefore come together on larger ideological convergences.

❖ **Trade and Treaties:** Adding an economic and infrastructure element to the Indo-Pacific framework is vital as many of the highly integrated economies in the region have deep trade ties with China. Most ASEAN nations have territorial disputes with China, but are also part of the RCEP. They will find it difficult to embrace the Indo-Pacific construct in its present form.

One of the prominent cornerstones of President Obama’s Pivot to Asia was greater economic integration with ASEAN and the wider Asia-Pacific rim. The withdrawal of the U.S. from TPP and India from RCEP has weakened the economic integration that is critical to the survival of the many small, open and integrated-with-China economies in South East Asia. For them, decoupling from China will be difficult, as it will be even for the US and most of its allies which have significant trade relations with China. A gradual diversification is key to wean off the addiction to Chinese manufacturing.

❖ **EU and the Indo-Pacific:** Europe has yet to develop a consciousness about the Indo-Pacific as a geo-strategic reality. Like ASEAN, many nations within the EU, have deep economic engagements with China. Unlike ASEAN, the European nations and EU find comfort in the geographical distance that separates them from the complexities of the Indo-Pacific. The EU as a collective, and the member nations individually, have tried to balance economic imperatives with normative concerns.

But China’s Belt and Road Initiative (BRI), with its opacity and debt diplomacy, aims to divide the European nations. The spread of COVID-19 to Europe and beyond, and the geo-strategic implications of European businesses heavily reliant on Chinese supply chains, has now brought the concerns and complexities of the Indo-Pacific to their doorstep. The European nations and EU can no longer feel

secure in the geographical separation of Chinese actions and must align with the Quad to shape the future of Indo-Pacific.

❖ **India and the Indo-Pacific:** India will have to take leadership in the Indo-Pacific by deploying its soft power more effectively. In the short-term, India needs to improve relations with neighbors like Bangladesh, Nepal and Sri Lanka - this will significantly improve India's appeal to similar powers in the Indo-Pacific, especially the ASEAN nations. India has found it difficult to forge FTAs but can emerge as a major economic player by becoming export-oriented regionally, growing GDP and generating employment.

❖ **Indo-Pacific Charter:** If China's rise was actually a peaceful global event, the world would have been a different place. Through Xi Jinping's BRI, China is no longer geographically restrained from meeting its geo-strategic and economic objectives. It is time for like-minded nations, working to a timeline and cutting across oceans and continents, to take a holistic and consensus-based approach in identifying and solving the challenges imposed by an assertive China.

A similar time-bound approach can be followed by the Indo-Pacific allies to create a broader framework enshrined in an *Indo-Pacific Charter*, to close the economic, diplomatic and strategic gaps for Chinese maneuverability. Some of the key elements of the charter must include trade, infrastructure and technology.

SECTION III

WEBINAR NOTES AND MEDIA MENTION

Notes

Introduction: Manjeet Kripalani

- Welcome to the Gateway House-KAS webcast, part of a continuing partnership between two institutions.
- Two people have made this evening possible. Peter Rimmele and Commander Amrut Godbole, who co-envisioned our discussions on Asia, particularly important at this time of continental uncertainty.
- The panel of experts will be discussing the new geo-strategic reality i.e. the Indo-Pacific from all angles: Defence, Economic, Trade, and Regional.

Opening Remarks: Peter Rimmele:

- The already rapid change in the current international order has only been accelerated further by the corona pandemic.
- International law, standards and rules are under attack, maybe even more frequently than they are being adhered to.
- These developments are exemplified in the Indo-Pacific, where the influence of China and the United States are forcing other interested parties to redefine their approach in terms of security, trade, etc.
- With both, the Silk Road and the String of Pearls strategy, China is targeting Europe and Asia and their markets.
- Europe is not a military power and Germany is even a lesser one, if at all. We cannot compete with China, USA or India, and we would not want to do that.
- Sovereignty is being threatened in the Indo-Pacific. For example, considering the French Overseas collective of New Caledonia that harbours 25% of the world's nickel. During the last referendum on Independence Day, there was a fear of it becoming a Chinese colony in the wake of Independence from France that led to a win by unionists. Those fears are not exactly unfounded.
- Today we will probably hear more about China's aggressive moves to force cash-strapped island economies through its financial coercion.
- Europeans are yet to develop a sense of consciousness for this threat.
- In its latest propaganda stunt, China recently sent masks and medical equipment to Italy, which carried neighbourly greetings. Those are not metaphors and neither should be understood as anything but threats.
- In our globalised economy we all are neighbours. The corona pandemic has shown us how close we are to each other now and how little physical distances matter in the 21st century.
- What happens in the Indo-Pacific does not threaten European territorial integrity directly, but we have to wake up to the fact that every small island that is being converted into a Chinese controlled strategic harbour, weakens the free nature of the Indo-Pacific, putting all of us at risk. Every such harbour makes Chinese security footprint in the region bigger and tightens its control.
- Therefore, Europe needs to find a new approach to regional security in the Indo-Pacific. The connectivity strategy which was approved in 2016 is a step in the right direction. It acknowledges China's aspirations, understands that we need alternatives, which can only be done with regional partners like the Quad.
- We envision an Indo-Pacific free of any one entity establishing hegemony.

- Europe needs to align itself with the Quad countries, which have often felt alone in the past.

In conclusion:

- We all have stakes in the Indo-Pacific.
- The corona crisis has led many Europeans to finally realise that Europe is was intrinsically connected to the rest of the world, especially Asia.
- We need to understand what happens in the Indo-Pacific, will also affect us in Europe.
- Europe and Germany as part of it need to step up their activities in the Indo-Pacific and align themselves with Quad countries to balance out threats to the free and open Indo-Pacific.

Manjeet Kripalani to Rear Admiral Sudarshan Shrikhande:

- India has already diplomatically embraced the Indo-Pacific. Specifically, how should India operationalise this commitment in the Indo-Pacific waters?

Rear Admiral Sudarshan Shrikhande:

- I would like to present a more than oceanic or maritime perspective of the Indo-Pacific.
- Are we confusing ourselves that because it is a hyphenated term of two oceans, it is essentially maritime?
- Even NATO is far less about the North Atlantic as it always was about Europe and the Soviet Union at that time.
- So while the term maybe oceanic, the focus in on problems on land, and the ocean nomenclature helps us in some ways.
- The term Asia-Pacific is also far more about Asia than it was about the Pacific as an ocean.
- We need to go beyond looking at the Indo-Pacific as primarily a maritime arena and maritime methods, and therefore, maritime solutions to most of the problems, because it is really not that.
- It is easier to talk about global commons, freedom of navigation, piracy, maritime terrorism, humanitarian assistance and disaster relief, rather than getting involved in messier things.
- Julian Corbett, the maritime historian and strategist, while he did say since men live upon the land and not upon the sea [great issues between nations at war have always been decided—except in the rarest cases—either by what your army can do against your enemy's territory and national life or else by the fear of what the fleet makes it possible for your army to do.], though in a different context, but it applies here.
- There are more deliverables in looking at the maritime nature of the Indo-Pacific; it helps us to see some progress because we are able to do a lot in the maritime field without treading on toes, but some of that is required.

Manjeet Kripalani:

- How is India going to operationalise its commitment?

Rear Admiral Sudarshan Shrikhande:

- One of the things that we need to do is that apart from the maritime, we need to operationalize and move the Quad towards Squad, along with a few more countries participating in it. It has to ultimately be a Quad-Plus.
- Fundamentally, many of the issues that trouble some of the Quad countries are territorial. They trouble the US because the US has treaty partnerships.

- It is less about freedom of navigation, but what is happening in the South China sea; and the South China sea is less about freedom of navigation than violations of sovereignty all the while, while the People's Republic of China insists upon its own sovereignty sensitivities.
- We need to be far more vocal about the Senkaku issue with Japan. We, in India, have tried to avoid that, and, likewise, those countries do not talk openly and with the required support with respect to our own issues of sovereignty coming into conflict with China and Pakistan.
- China might have future issues with Russia. India will play a role in that because of our good relations with Russia. Even Japan has an improving relationship with Russia.
- We need to bolster and move on more robustly with the Quad itself.
- India needs to demand and expect more political and diplomatic support on its issues of sovereignty with respect to China.
- We need to support ASEAN a lot more with the South China sea disputes.
- We need to take ASEAN and the Quad more towards each other.
- We need to become more open towards India's support to Taiwan. We, like other countries, are very circumspect about it. We have to move slowly, but steadily.
- In terms of economic partnerships, the US needs to get back to the TPP by whichever face-saving device they can think of.
- Quad cannot solely be an economic arrangement. There are far too many contradictions for that arrangement to happen. You need a larger group with more countries in it.

Manjeet Kripalani to Captain James E Fanell:

- You have experience with the Indo-Pacific, both in the policy and the operational area. What would you now like to see happen nationally within countries, and multilaterally, to make the Indo-Pacific a powerhouse?

Captain James E Fanell:

- I agree that the Indo-Pacific is not just a neighbour treaty or an alliance.
- The Quad and Squad nations are aligned in terms of ideology around the principles of freedom, liberty and democracy.
- We need to start recognising that the PRC and the Chinese Communist Party are on a timeline of activity.
- A lot of discussion is doing the rounds about China taking a long view and considering things down the road, and that they are not willing to cause controversy and rather wait and see how things play out. That is a false notion.
- What you see today is an aggressive activity around the South China Sea where no foreign navy warship of any nation can enter without being challenged by the PRC.
- We are seeing increased flight activity around the island of Taiwan and the Senkakus. India too is experiencing problems with aggressive Chinese actions on the LAC recently. They are also now making inroads into Bhutan's disputed area.
- In the last six to eight weeks, North Korea has spurred up after being relatively quiet. It seems likely that China endorses that.
- China has demonstrated confidence that we have not seen before.
- Everything that I know suggests that China is on a timeline. These two timelines are 2021, the 100th anniversary of the Chinese communist party; and 2049, which is the 100th anniversary of the People's Republic of China.
- This suggests that the Chinese leadership is on a timeline to restore the territorial sovereignty and all those areas mentioned that they consider it to be theirs.

- They will use everything under their comprehensive national power, diplomacy, economics, information, and the military, to achieve their objective which, what they believe is, territorial sovereignty. They would prefer to achieve it without firing a shot. They would prefer to use influence, art of war, without having to actually use combat.
- Over the last twenty years, we have seen them building their military. We are now entering the decade of concern. If within the next ten years, the Chinese leadership fails to acquire territory, which they believe is theirs; the PLA will convince the leadership that it is time to use military force.
- The question for the Indo-Pacific community then becomes- what are we going to do about it?
- As mentioned earlier, we need to get back together and provide a deterrent force to China and let them know that if they are going to do what I think they are going to do, then they would be met with force, not just military force, but also economic force, diplomatic force and the information force of all the nations that are aligned saying we would not accept this.
- Right now, we are seeing China force people into concentration camps in Xinjiang. They have already made inroads into Tibet, they have just passed a new national security law in Hong Kong Special Administrative Region, which makes it virtually impossible to enjoy freedom and liberty in Hong Kong.
- The reality is that China presents an existential threat to all our nations.
- We have not always aligned at the tactical and operational levels, but at the strategic level, our nations do agree about democracy and freedom.
- We need to put aside minor differences and come together for big things.

Manjeet Kripalani

- The Indo-Pacific is more than a maritime construct. It is a land construct, information construct, and most importantly it is an economic dominance construct against China.

Manjeet Kripalani to Rahul Bajoria:

- You have been covering the economics of this region for years. You understand the trade agreements and the trade routes. Many of these are now really weak. Two of the four core members are not signed on to RCEP, that is India and the US. Australia and Japan would like us to, but should they really be forcing us to do it? How can this region blossom under the security cover of a new Indo-Pacific partnership that blossoms economically?

Rahul Bajoria:

- Let's take a step back and think what were the economic realities coming in the last 4-5 years.
- Effectively when President Obama decided to introduce a foreign policy angle towards Asia, one of the cornerstone policies was greater economic integration with the ASEAN and the wider Asia Pacific rim.
- After the 2016 Presidential elections and subsequent shelving of Trans-Pacific Partnership, and then India withdrawing from RCEP agreement, the two large trade agreements that were to increase the economic integration are currently in tatters.
- It is hard to see how can there be significant economic integration without trade being at the center of it.
- The larger countries that have large domestic markets and are broadly self-sufficient in many fields are going to do well. Small open economies in South East Asia and East Asia in particular, are going to have a difficult time in signing onto Indo-Pacific unless and until there is significant economic benefit that comes out of it.

- We also have to keep in mind that a lot of these countries are highly integrated. Asia as a whole trades the most within itself and over the last two decades, China has become not just a processing center for most of the Asian economies, but also a market for export of goods and services.
- Even in the Quad, every single country in the Quad, with the exception of India, does more trade with China as compared to combined strength of all of each other. The economic integration, even for the Quad countries is a preferred reality, but will take time and require a lot of focus from these countries.
- This puts ASEAN as a test case, where there are several conflict areas, including military issues, but the economic integration, including with countries like Taiwan has been so strong that it is difficult to get away from such a formulation without leaving behind a significant amount of socio-economic damage.
- Till the time we have strong mitigation policies in place, it is going to be tricky.
- When we think of it from the perspective of what is happening with countries like Indonesia, they have made an attempt to deter actions of the military in the South China Sea from China; but even they, whose tourist dependency is quite high, are on board with the idea of signing the RCEP.
- I think there are going to be challenges as far as economic integration is concerned.
- Some steps have been taken to increase integration, like between India-Australia; but a lot of it is coming under the garb of selective-protectionism from all sides.
- In some sense the economic compact has to be put at the centre of this discussion without which there are some security issues which are going to be complementary in nature; but if the economic interests do not align, it will be difficult to have large scale support for such an idea. As that is what we have seen from small open economies particularly who are in the middle of the Indo-Pacific.

Manjeet Kripalani:

- India is going to have to make a lot of the first moves. Do we have a vision about what trade agreements could mean since we are really not on board and we do not have the expertise?

Rahul Bajoria:

- From India's perspective, we have seen broad global trends of protectionism or at least relooking at trade as a positive driver, coming through in a way where protectionism is preferred or at least there are signs that we are putting up walls or economic barriers rather than tearing them down.
- For example, there is an often-cited case of the mobile handset telephony sector, which has kind of taken off in India. We have started to produce a lot more hardware in the country, but what we do not often talk about is that most of it is coming from foreign companies operating in India, in fact Chinese companies that are operating in a big way. So we have to be selective about the kind of protectionist argument that we are making.
- A sweeping generalisation is going to be damaging and this is where things like Atmanirbhar Bharat come across as old days of import substitution and self-reliance.
- We have to be careful especially with economic partners, with whom we have a dominant economic partnership, where we are exporting more than importing.

Manjeet Kripalani to Elena Atanassova-Cornelis:

- What is the EU's position on the Indo-Pacific? Many European nations have island borders across the Indo-Pacific. 90% of France's EEZ is in the Indo-Pacific. So Europe has a direct interest.

Elena Atanassova-Cornelis:

- I agree with Peter that Europeans are yet to develop a sense of consciousness.
- There is no such thing as just one EU position because we have 27 members in the EU, leading to mixed perceptions about Asia and particularly China.
- When we talk about EU's Asia policy, one of the main issues is EU's China policy. For a very long time for EU, Asia meant China and China's trade relations. For EU, China has been the first or the second largest trading partner, and Chinese are a critical source of import.
- On the other hand, we have EU projecting itself as a normative power through promoting important norms like the rule of law, democracy, and human rights.
- So maintaining a balance between the economic and trade interests with China and the values that EU promotes and adheres to, becomes a task. How do you find a sweet spot between the two?
- For a long time, EU has avoided the reference to China as a geopolitical player. The focus was on economic gains.
- Purely infrastructural economic initiatives do not exist as infrastructure is linked with geopolitical ambitions.
- In Brussels, that perception has been changing over the years as a result of the impact of the Belt and Road Initiative on European unity, values and policies.
- So the divide and rule strategy that we see in Europe is very similar to the divide and rule strategy that we see with regards to China's policies and ASEAN. So you roll out a carpet of policies and economic initiatives and try to divide European states, those that gain and those that oppose those policies,
- The South China Sea is an example. The ruling of the Philippines-China case. The European leaders delivered a soft statement, without references to China and simply stated that Europe supports peaceful resolution of disputes in line with UNCLOS.
- The European Parliament now has been passing that non-binding resolution as it is not a critical player in EU's decision making.
- Last week when the EU-China conference took place, the president of the commission and the council were rather abrupt and on the demanding side with regards to China.
- Talking about the European leaders, there was a reference to Hong Kong, but no mentioning of sanctions. Sweden was the only country that proposed that there should be sanctions.

In Conclusion:

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- I do not think that we need to read a lot into this European Parliament resolution. Unfortunately, EU will remain divided not only in terms of what is the Indo-Pacific, but what EU's role is in Asia and what its China policy should be.
- China through BRI will continue to be able to advance its interests by dividing the European countries from each other and preventing EU to make strong position on Taiwan, South China Sea, and Hong Kong.

Manjeet Kripalani:

- Surely, the Chinese game is clear, so why would there still be a fear on part of the EU with its many strengths, to still not be able to be upfront with China?

Elena Atanassova-Cornelis:

- In the EU, the concern is about potential repercussion. That would be economic and trade repercussions for the EU.
- It is very hard for the EU to come up with one united position or statement. For example, even last week, in the video conference with China, there was no joint statement from the EU.
- Countries in Central and Eastern Europe within the EU are the ones that have gained maximum benefits from BRI and do not want to be part of being “hijacked” by any harsh statements and have negative repercussions from the BRI from which they benefit.
- Likewise, I will refer to ASEAN because it has been very much divided. We don’t want to be hijacked by the South China sea, is a statement that has come up in many ASEAN discussions, where most of the member states do not want to give ASEAN a position of being in dispute with China. This is because it is not the organisations, but the different and sometimes opposing interests of the member states.

Manjeet Kripalani to Rear Admiral Sudarshan Shrikhande:

- You come from the most competent services, the Navy, which is the frontline in the current Indo-Pacific engagement. Will India have to do all the heavy lifting in the Indo-Pacific; and can we?

Rear Admiral Sudarshan Shrikhande:

- I think we can and we have got to.
- There exists a contrast between two of the biggest countries in the Indo-Pacific/Asian-Pacific. This is what we need to pitch for and take up some of the leadership roles.
- On our side of the Himalayas, there exists a noisy and free democracy, while on the other side, people are still under an authoritarian system.
- The other aspect is that India uniquely offers, in contrast, the aspect of rule of law.
- We have large professional, apolitical and capable armed forces, so we need to step up and do a lot more.
- Apart from that, we are a large economy. We can be both a workshop and a market. So while enhancing Atmanirbhar Bharat, how do we still remain globalised in a way that is going to be mutually beneficial?
- Other than that, India’s maritime geography, Indian navy, our maritime strengths, our friendships, and the regional help that we have been able to give in the Indian Ocean region are great virtues.
- Another unique and acceptable thing about India’s policies, unlike China’s, are based on the friendliness of purpose.
- India needs to take central role. As part of the Quad and other members of Indo-Pacific, we can look at infrastructure development and try to give an alternative to the silk noose of the One Belt One Road.

Manjeet Kripalani:

- India’s move yesterday to ban 59 Chinese apps takes some courage from a country that is viewed as unable to face up to China since long. Maybe we are on the path that we should be on.

Manjeet Kripalani to Rahul Bajoria:

- What are the trends that will shape the future of trade in the region? The world is getting re-lateralised, trade agreements are changing. How can India insert itself into these regional trade agreements, both new and old ones, in a way that it fulfils its own goal of self-reliance?

Rahul Bajoria:

- To put things into context, India's manufacturing sector within its own country is less than 20% of its GDP; China's is more than 25% of the total world.
- Within that context, in the last decade, it has effectively been a very stagnating period for India's exports and manufacturing.
- Till the time India's exports do not come back on track, it is going to be difficult for India to offer any large deals for any country.
- Urgent economic reforms are required. Our regulatory cholesterol has built up significantly in the last two decades.
- As we started growing, the urgency to get economic growth was probably declining.
- We have seen some economic reforms come back, but the number of challenges, increasingly around the federal structure, whether it is tax challenges or coordination between the center and the states, have been rising.
- Till the time India really manages to get its own house into order, it will be difficult for us to be competitive on a global stage. If we are not competitive, our exports are going to stagnate where they are, i.e. at 2% of global exports, and have not changes in the last decade or so.
- In terms of trade trends, there are clear synergies between India and countries in the Indo-Pacific over issues like energy, use of more technology and even data privacy. There is room to coordinate and facilitate the use of open source technologies.
- Countries like India, Australia, Japan and the US will find complement paths, which will also resonate well with Southeast Asian economies.
- There needs to be a focused, consistent and long-sighted approach on some of the strategic goals that exist, with economics playing a central role.

Manjeet Kripalani to Elena Atanassova-Cornelis:

- Japan has been very active in bringing this alliance together. How do you think Japan would like to see this develop?

Elena Atanassova-Cornelis:

- Prime Minister Abe in his speech to the Indian Parliament in the mid-2000s, was the architect of shifting the definition from Asia-Pacific to Indo-Pacific.
- The Quad too originated from Japan's policies as Japan was concerned about how to respond to China.
- Regions do not exist out there, they are defined; they are a matter of framing and defining strategic perspective.
- We tend to define the Indo-Pacific in an exclusive manner. It is seen as specific countries facing China. But in my view, Indo-pacific also has the inclusive option of presenting the duality between China-in and China-out perspective.

- The evolution of Japan's perspective on the Indo-Pacific from the mid-2000s until now is a clear example of this duality.
- In the mid-2000s, it was an exclusivist vision and the Quad was set aside until President Trump revived it. Japan also very much reengaged with the concept and embarked on the reconceptualization of the concept of Indo-Pacific by adopting a China-In perspective.
- Here comes the difference between the US and Japan's perspective of free and open Indo-Pacific.
- Even though there has been convergence between President Trump and Prime Minister Abe, on the emphasis on an open democratic political system, freedom of navigation, rule of law, there has been a not so subtle difference and evolution between 2017 and now in Japan's official statements and documents.
- Free and open Indo-Pacific strategy has been replaced with other concepts. So no longer it is a strategy which would allude to certain containment of China. It is now a concept, which is open to interpretation and accommodation of vision of ASEAN and other countries.
- Secondly, the focus on democracy and human rights has gradually been replaced with freedom of navigation, free trade narrative, and there is more focus on economic prosperities with activity and maritime capacity building. Japan has gradually de-emphasised democratisation and focus on human rights, to avoid potential criticism by non-democratic members in the Indo-Pacific where Japan might want to interfere in their domestic affairs.
- So Japan might want to open the door for potential cooperation with China. If we look at President XI Jinping and Prime Minister Abe's statements over the past three years, the fact that Japan is open to cooperation with China on the Belt and Road, attests to these more inclusive shift in Japan's perspective on Indo-Pacific.
- If we look at Indonesia, it has promoted the narrative of 'open and inclusive' while avoiding the term 'free'; whereas India has promoted the narrative of 'free, open and inclusive' to bring in both an inclusive and exclusive vision into its narrative; more like a swing state. By doing this, India has made sure not to antagonise China and at the same time focusing on cooperation among the maritime democracies.
- The main difference between the Indo-Pacific and Asia-Pacific is that Asia-Pacific is related to the US-led security system, which does not extend to the Indo-Pacific.
- Indo-Pacific really allows interpretation of the region as opposed to the Asia-Pacific where we have the dominant US-led security system.

Manjeet Kripalani to Captain James E Fanell:

- Talking about the building of infrastructure, if the Indo-Pacific alliance has to challenge the Belt and Road initiative, what are the economic, infrastructural and financial frameworks to follow? The Blue Dot network is a start and the US has also created a new entity that will help to build infrastructure. Can this be the basis of an Indo-Pacific charter? And can the Indo-Pacific charter include China ever?

Captain James E Fanell:

- Regarding the first question, its framework is built upon the notion of what is the BRI, as to how it is implemented in the nations and whether it is truly beneficial.
- I have seen some of the impact of China's debt-trap diplomacy through the Belt and Road. We need to point out that the BRI may not be the best alternative for nations.
- But that leaves the responsibility on us to provide something in lieu of that.
- The Blue Dot's focus is on quality, transparency and financial responsibility.
- There is a lot more work that can be done in this arena, but it is going to take the nations of the Quad and others in the Indo-Pacific region to sit down together and discuss the details of that.

- Blue Dot focuses on integration of government, civil society and the private sector- all working together in a transparent way to provide quality infrastructure without strings attached.
- The small countries that China is using in the UN to vote in the favour of policies that China wants, they are going to follow suit with other nations if they provide the resources that they need. We have to provide them with something as an alternative, to do that the focus is on the integration of the government, civil society and private sector to provide quality infrastructure.
- The answer to your second question, a way to get there, to start moving down that track, is to come up with an Indo-Pacific charter like the Atlantic Charter after WW2.
- The Indo-Pacific nations are not coming out of a war zone, but are facing a potential war zone. The imminency of what China is talking about doing should drive us to come together.
- I think the Indo-Pacific charter is something worthwhile for our nations to sit down and talk about
- Could China ever be part of that? I do not think so, as long as the Chinese Communist Party is running the People's Republic of China and stands for the values that it stands for. I do not see how you can have that country inside a charter that is designed to promote freedom and democracy.
- While discussing economics, it is important to point out the word 'diversity.' All of us have been dependent upon the People's Republic of China to be our supply-chain location for all kinds of things that we need. That is not rational.
- From a rational standpoint, people should be diversifying their portfolios as nations, companies, etc.; and that's not protectionism or isolationism, it's just good business practice.
- Time of the Indo-Pacific Charter has come.

Question and Answer

Manjeet Kripalani to Elena Atanassova-Cornelis:

- One of the things we discussed in our institute was that Europe in particular, needs to decouple from China and recouple to India. People forget that Europe and the UK were an integrated part of India 200 years ago, and that seems to have gone nowhere; it is in the realm of history. The influence of Europe is very present in India, so how can we get Europe to recouple?

Elena Atanassova-Cornelis:

- Talking about Europe being a security actor in the Indo-Pacific, broadly, Europe's main strength is apart from trade and economic relations. This is one of the important aspects from the EU-India relations because it is ranked primarily in this perspective as to how to boost the economic or strategic partnership. It is non-traditional security.
- Over the years, EU's position on strategic partnership with Asia has evolved. If we view back 10-15 years, Europe had many ambitions.
- For example, out of all the EU strategic partnerships in Asia, it is with Japan where it is the most institutionalised and developed in security terms.
- Back in 2001, EU had an action plan with a list of global problems. In 2011, they reached a conclusion that barely any of the objectives that they had can be realised. In 2018, they came up with another negotiation for free trade and strategic partnership, which narrowed down to more specific objectives.
- I think this is a great approach that they have realised that you narrow it down and focus on your strength, and the strength is not military security. EU's role has been in maritime security, piracy and capacity building.
- From EU's perspective its interest would be in the Western Indian Ocean and maritime space that would be closer to Europe.

- So apart from the economic trade relations, there should be a focus on non-traditional security.
- In my view, it is Europe expecting from Asian partners to contribute to European security rather than the EU being able to contribute to the interest of our parties in the broader Indo-Pacific.
- From my understanding, can the EU decouple from China? Can the US decouple from Chinese economic trade aspects? I do not think so.
- Japan has been trying to diversify away from China, but can China's significance really be replaced?
- Chinese economic growth will continue and it will also continue to play the role of being the number one trading partner of most of the US allies and partners in Asia or the Indo-Pacific region in the foreseeable future.

Rahul Bajoria:

- I completely agree with Elena because it does take a long time for economic decoupling to happen.
- One of the big differences between the system that exists in China and most countries within the Indo-Pacific would be the dominance of private and relative dominance of state enterprises.
- Looking at the way the US-China trade war played out in the initial parts, there were clear signs that China was able to seamlessly pull back from American supplies; the same was not possible on the contrary.
- If anything, the trade deficit actually widened between the US and China, simply because there were private enterprises at play.
- Thinking back to the mid-2000s when there were protests over Senkaku islands, there were massive demonstrations against Japanese industries as a result of which Japan came up with the strategy of China Plus One. This has manifested itself into a very distributed supply chain.
- So Japan has, kind of, given an alternate model, but it takes time, a lot of focus and consistency of policies across the political spectrum.

Audience question:

- Isn't it hypocrisy on the part of the US to ask likeminded democracies to counter communist China as a threat together in the Quad while parallel-y deepening China's pockets by manufacturing there?

Rahul Bajoria:

- Again, it comes back to the motivation of private enterprises. The reason why these private companies exist in China is because it has been made easy for them to operate and produce over there. If there were some issues on the ground, there would have been diversification of these supply chains.
- I think till the time China remains one of the best places to do business for manufacturing units, there will be these necessary conditions.

Captain James E Fanell:

- The question was if it is 'hypocrisy' and the answer is most assuredly, it is hypocrisy.
- That is why there are many in the US right now that are pushing to end these hypocrisies in the best way.
- From a recent example, in the US, we have a fund that measures the savings plan for our federal workers and the department of defence where we pay into every month. A board in the Washington DC administers that fund and they wanted to give billions of dollars of US Military retiree money to the

Chinese and open that money into the Chinese market. A number of us got together and wrote a couple of letters to the president and he came up and told the board that it will not happen.

- As another example, the Department of Defence, US, identified 20 companies that are associated with the People's Liberation Army that have been operating or are soon to be, in the US stock market; and we are recommending again that this be cut off.
- So when you start looking at the details, there are things that can take quite a capital to continue to support the Communist regime in China.
- There is a growing awareness in America now that something needs to be done.
- You have to see what you are giving China, where does that money go. As we saw during the National People's Congress in May, the Chinese mentioned for the first time in thirty years that they do not have GDP forecast for this year, but they also mentioned that they are still going to have a 6.6% growth in their military spending.
- That tells you what China's priorities are.
- So if we keep giving them money to build tanks, jets, nuclear submarines and nuclear silos, it is all going to come back to us someday.

Rear Admiral Sudarshan Shrikhande:

- What Captain Fanell said is something we really need to think about.
- China is a huge concern in every way. It is an economic concern.
- At the end of the thirty years of China's prosperity, its peaceful rise, where are we today with respect to China?
- If the rise was truly peaceful and if it was a win-win situation, then we ought not to be discussing the things we are discussing this evening. These are real concerns.
- At the end of it all, with all the readjustments going on, maybe it will take a few years. China will still be economically interacting with a lot of nations; but instead of China modifying everybody's behaviour, it is time that everyone gets together and pressurises China to modify its behaviour.

Audience question:

- Why is the world not united against boycotting China? The US and Australia have spoken out, but why are there no greater calls for this? Is it just fear?

Rear Admiral Sudarshan Shrikhande:

- Like Captain Fanell was saying, hypocrisy is a constant neighbour to most of what nations or companies do.
- I firstly think it is not absolutely necessary to totally boycott China, that won't be very beneficial; but we do need to come together and get China to be part of a world order.
- There will continue to be contradictions, but within those, there has to be a focus on the Indo-Pacific charter, Quad and on rowing together.

Closing Remarks: Ambassador Rajiv Bhatia:

- This has been a very rich and thought-provoking dialogue that we, at Gateway House, have been privileged to have organised together with KAS.
- What comes out very clearly is that a totally holistic and comprehensive approach is required to comprehend the challenges and developments existing in the Indo-Pacific, and then slowly start finding a solution to them which may be acceptable to most of the stakeholders.

- This holistic approach applies not only to the Pacific Ocean, but also the Indian Ocean. We have not gone into the details of both the water bodies, but clearly, comments were very much implying that those two pillars of the Indo-Pacific have to be addressed.
- It also came out very clearly that there are different concepts and definitions and even geographical contours of the Indo-Pacific, but there is a growing consensus as to what the issues are and it is in that context, like I understood from the dialogue, the concept of inclusivity is now coming under strain.
- This is the new development that we are seeing in the early part of the COVID-19 era, that it is not just about including or excluding China, but it is to see whether there can be a broader cooperation in terms of trying to help and encourage China to modify its behaviour. We should be grateful to Rahul for bringing this forward that there has to be a better alignment between the economic and strategic objectives. This is the logic of the holistic approach.
- There are expectations, benefits, and dividends coming out from the region's relationship with China and yet it is the same country, which is the source of threats and challenges as well.
- There was reference to ASEAN, but there was probably need for a greater focus on ASEAN because some of us at Gateway House believe that without ASEAN, Indo-Pacific is a table without legs.
- We all are aware that ASEAN took years before they came out with their outlook on Indo-Pacific and we really have to involve and engage with them more closely in this dialogue.
- Finally, we also need to remember that while we have put focus on China, there are also other powers beyond the superpowers US and China, which are India and Japan. The relationships amongst these four countries plus their relationships in turn with the remaining twelve member states of the East-Asian summit, is what is going to determine the future of the Indo-Pacific.
- Grateful to all scholars to have shared their perspective. Want to assure them that we will carry this forward and go into even more granular detail when we take up the question of Quad very soon.

Media Mention

- Business Insider India, ran a story '[*China may keep pushing into neighbouring territories for the next ten years, experts say based on Beijing's timelines*](#)'.

SECTION IV

FUTURE COLLABORATION

WEBINAR ON QUADRILATERAL PATH TO REFORMED MULTILATERALISM

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.

Key findings will be shared on the next working day of the scheduled Webinar.

The detailed webinar outcome document will list the ideas discussed, learnings and suggest possible collaborations going forward.

AGENDA

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 DISCUSSION

Date: 23 Jul 2020

Time: 1 hour 10 minutes

All timelines as per Indian Standard Time

17.30-17.33: INTRODUCTION BY GATEWAY HOUSE

17.33-17.36: OPENING REMARKS BY PETER RIMMELE, INDIA HEAD AT KAS

17.36-18.20: DISCUSSION BEGINS; QUESTIONS ASKED TO EACH OF THE THREE EXPERTS ON THE SUBJECT BY GH MODERATOR

18.20: AUDIENCE Q&A

18.35: SUMMATION OF DISCUSSION BY GATEWAY HOUSE MODERATOR

18.40: CLOSING REMARKS BY GH

WEBINAR RULES

Note:

- Time will be strictly adhered to.
- No Power Point slides required.
- Bios will be shared in advance.
- There will be no formal introductions