

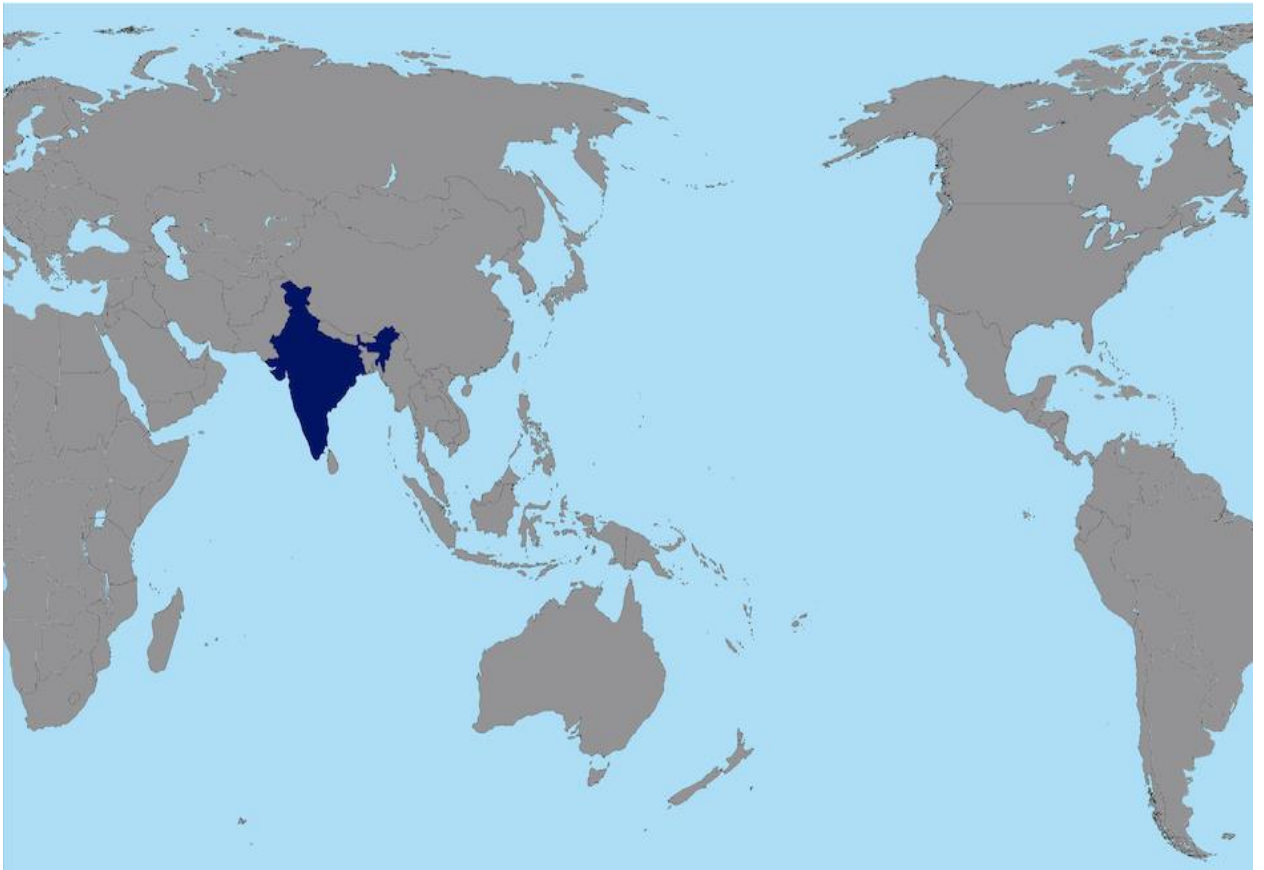


Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG INDO-PACIFIC MONITOR DECEMBER 2021



Volume II, Issue 12 | December 2021

Delhi Policy Group

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

www.delhipolicygroup.org



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DPG INDO-PACIFIC MONITOR

This publication is a monthly analytical survey of developments and policy trends that impact India's interests and define its challenges across the extended Indo-Pacific maritime space, which has become the primary theatre of global geopolitical contestation. It is authored by Cmde. Lalit Kapur (Retd.), DPG Senior Fellow for Maritime Strategy, based on open source reports and publications. Your comments and feedback may be send at lalit@dpg.org.in. To subscribe, please [click here](#).

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DPG INDO-PACIFIC MONITOR

December 2021

Abstract

The working visit by President Vladimir Putin to New Delhi on December 6, 2021 for the annual bilateral summit and the holding of the inaugural India-Russia 2+2 Dialogue brought to the fore India's complementary strategies to manage its challenges in both the continental and maritime domains. The summit joint statement provided an overview of the status of bilateral cooperation and future plans across eleven thematic areas. It doused speculation about declining India – Russia relations, particularly in view of Russia's growing entente with China. The economic dimension of India-Russia relations continues to under-perform, and the two leaders were focused on addressing this aspect.

US and Russian Presidents Biden and Putin held a virtual summit on December 7, as tensions between the two countries continued to mount. Bridging these differences is critical for the US to focus on the Indo-Pacific. Both sides appear to be exploring the boundaries of each other's geopolitical tolerance rather than focusing on building common ground.

The US organised Democracy Summit on December 9 & 10, fulfilment of a campaign pledge by Candidate Biden, marked an attempt to discuss the challenges facing democracies on a global scale. Organised around three themes - defending against authoritarianism, fighting corruption and promoting respect for human rights - the virtual summit brought together more than 275 participants and the heads of more than 100 governments. PM Modi highlighted India's democratic credentials and offered to assist others with the organisation of democratic elections and transparency of governance. The selection of invitees came in for adverse comment, with geopolitical interests seemingly determining the democratic credibility of some invitees while others more deserving were overlooked. China and Russia mounted a counter-offensive, including an unprecedented joint op-ed by their Ambassadors in Washington D.C. The current disarray in US politics did not provide an opportune moment for the summit, and time will tell whether it really advanced an agenda for the future.

China continued its focused outreach towards Africa by convening the 8th Forum for China-Africa Cooperation in Dakar and the formulation of a comprehensive action plan offering more than \$ 50 billion in aid and the incentive of purchasing \$ 100 billion worth of agricultural produce from Africa each year over the next three years. An expansive keynote address by President Xi Jinping was followed by agreement on The Dakar Action Plan 2022-2024 and the Dakar Declaration of the 8th Ministerial Conference of the Forum on China Africa Cooperation.

A Summit between Presidents Putin and Xi on December 15 projected the image of a tightening strategic embrace, with both sides effusive about their bilateral cooperation. President Putin committed to meeting President Xi Jinping in person for a Summit at Beijing in February 2022, while participating in the opening ceremony of the Winter Olympics.

The US National Defense Authorisation Act 2022 was passed by the Senate on December 15, 2021 and now awaits the President's assent. It authorises a total of \$ 777.7 billion for national defense, 5% above the \$ 740.5 billion in NDAA 2021, and expands funding for the Pacific Deterrence Initiative, but offers little in the Indian Ocean.

The month also witnessed articulation of five different Indo-Pacific perspectives, involving all four of the Quad partners. First was the virtual interview of Kurt Campbell, the White House Indo-Pacific Coordinator on the "Indo-Pacific Operating System" on December 01. Next came a keynote address by Dr S Jaishankar, India's External Affairs Minister, at the Fifth Indian Ocean Conference on December 4. The third was the Policy Speech by Prime Minister Kishida Fumio on December 6. The fourth was US Secretary of State Antony Blinken's speech on "A Free and Open Indo-Pacific" in Indonesia on December 14. The last was the Second Atal Bihari Vajpayee Memorial Lecture, by Dr Michael Fullilove of Lowy Institute, on December 24. Commentaries on these articulations round off this month's Indo-Pacific Monitor.

The India Russia Engagement

The "working visit"¹ by President Vladimir Putin to New Delhi on December 6, 2021 brought to the fore India's complementary tracks in managing its external relations. Continentally isolated by adversarial neighbours to the north and west, India's overland outreach focuses on Russia, the Central Asian Republics and the Gulf states. China's growing maritime influence and capability bring

¹ 21st India – Russia Annual Summit, http://mea.gov.in/press-releases.htm?dtl/34608/21st_India_Russia_Annual_Summit

to the fore the imperative of guarding against seaward connectivity being sundered, necessitating balancing through maritime powers, led by the US. The deeply adversarial relationship between Russia and the US complicates the situation, necessitating deft and creative diplomacy to maintain and strengthen links with both sides.



President Putin and Prime Minister Modi meet at Hyderabad House during their Summit, December 6, 2021. Source: President of Russia website

Engagements during the visit encompassed a bilateral interaction between the two foreign ministers; the 20th meeting of the India-Russia Intergovernmental Commission on Military Technical Cooperation co-chaired by the two defence ministers; the inaugural India – Russia 2 + 2 Dialogue; and the 21st Annual India-Russia Summit.

The Summit Joint Statement² provides an overview of the status of India-Russia cooperation and future plans across eleven thematic areas: Cooperation in the Covid-19 Pandemic; Economy; Cooperation in the Russian Far East; Energy; Transport and Connectivity; Civil Nuclear Energy and Space; Military and Military Technical Cooperation; Science and Technology; Education,

² India-Russia Joint Statement following the visit of the President of the Russian Federation, http://mea.gov.in/bilateral-documents.htm?dtl/34606/India_Russia_Joint_Statement_following_the_visit_of_the_President_of_the_Russian_Federation

Culture and Tourism; and Cooperation in the UN and Multilateral Fora. Key outcomes / announcements include the following:-

- Revision of the bilateral investment target for 2025 from \$ 30 billion (already exceeded³) to \$ 50 billion.
- Revision of the target for bilateral trade from the current level of \$ 9.31 billion to \$ 30 billion⁴.
- Acknowledgement of the need to commence negotiations on a Trade Agreement between India and the Eurasian Economic Union.
- An invitation to Russian companies to participate in the 13 key sectors of the Production Linked Incentive Scheme under the 'Atmanirbhar' and 'Make in India' programmes.
- Increasing of sourcing of Russian crude on long term contracts through preferential pricing, and strengthening of LNG imports into India.
- Greater usage of the International North South Transport Corridor and Russian support for inclusion of Chabahar port within its framework; the feasibility study of the Chennai-Vladivostok Eastern Maritime Corridor being at an advanced stage; and Russia's participation in India's railways sector.
- Prioritising allotment of a second site (after Kudankulam) for a nuclear power plant; successful cooperation in setting up the Rooppur Nuclear Power Project in Bangladesh and readiness to explore cooperation in other countries.
- Extension of the long term programme for bilateral military technical cooperation for ten years (2021 – 2031); an agreement to upgrade joint development and production of military equipment; and joint manufacturing of spares, components and other products for maintenance of Russian origin equipment in India. The need for a reciprocal logistic support and services agreement for the armed forces was recognised, but the agreement was not concluded.
- A total of 28 agreements were signed; nine were between the two governments, the remaining being commercial and other agreements/MoUs⁵.

³ Brief on India-Russia Economic Relations updated December 12, 2021, <https://www.indianembassy-moscow.gov.in/overview.php>

⁴ Ibid. Total bilateral trade in 2019 was \$ 11.16 billion, dropping to \$ 9.31 billion in 2020.

⁵ List of Agreements / MoUs signed during the 21st India-Russia Annual Summit, http://mea.gov.in/bilateral-documents.htm?dtl/34607/List_of_AgreementsMoUs_signed_during_the_21st_IndiaRussia_Annual_Summit

Speaking to the Press after the 2 + 2⁶, Russia's Foreign Minister Sergey Lavrov provided an overview of bilateral discussions. Voicing serious concern about US activities "under the slogan of Indo-Pacific Strategies" and opposition to AUKUS, he said, "we will do everything we can to prevent the plans of Indo-Pacific strategies, AUKUS and other closed (bloc) formats from trying to prevail over ASEAN and ASEAN-centric structures that have been established over the past few decades"⁷. He also said, "Our Indian partners have clearly disassociated themselves from the military-technological bloc AUKUS. They take part in the Quad and are emphasizing in every possible way their interest in its economic, transport and infrastructure projects. I believe that this is how India largely explains why the military component of US strategies was moved the AUKUS format⁸. He spoke positively about the S-400 deal, saying "our Indian friends have explained in no uncertain terms that India is a sovereign country and will decide itself what weapons to buy and who its partners will be in this and other areas"⁹.

This was only President Putin's second visit abroad after the pandemic began, the first being to meet President Biden in Geneva in June 2021. His Foreign and Defence Ministers accompanied him. For India, this was the first visit by the head of a major government after the pandemic began¹⁰. The high-level interaction and other visit optics will, for the time being, scotch speculation about the historical and time-tested India-Russia relations fraying even as both navigate the changed geopolitical environment. The US may be driving Russia towards China, but the bear cannot afford to put all its eggs in the dragon's basket and will continue to engage India as a continental balancer. Its opposition to the Indo-Pacific is driven more by insecurity and a deep suspicion of US intentions than by the actual content of the US statements. Noteworthy was Lavrov's willingness to accept India's Indo-Pacific objectives and separate US military initiatives including AUKUS from Quad initiatives. India's firm stand on continuing with the S-400 deal despite the threat of CAATSA sanctions, as also the other arms deals in the pipeline, have played their part.

⁶ Foreign Minister Sergey Lavrov's remarks and answers to media questions at the news conference following Russia-India foreign and defence minister talks in the two-plus-two format, New Delhi, December 6, 2021, https://www.mid.ru/en/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/4986233

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Other Heads of State/Government to visit New Delhi during this period were President Win Myint of Myanmar, February 26-29, 2020 and Prime Minister Mette Frederiksen of Denmark, October 9-11, 2021.

The weakness in the bilateral relationship remains on the economic front. Energy cooperation, increased usage of the INSTC, operationalisation of the Chennai-Vladivostok Maritime Corridor, India's investment in Russia's Far East and Russian investment in India's domestic defence industrial corridors in Tamil Nadu and UP could strengthen the economic relationship. India, for its part, understands that the technology it needs to upgrade its military capability and industry is not available from the US or other Western nations without severe compromises to its strategic autonomy, or at an affordable price.

The most visible example is nuclear propulsion technology. The cost of making this available to Australia is loss of sovereignty in major security decisions, forcing it to go along with the US at all costs. US allies are forced to depend on US defence industry due to concerns about "interoperability". The technology is not on offer to India. On the other hand, India has used Russian nuclear boats on lease without similar compromise to its strategic independence. There is no US equivalent of the S-400 available at comparable cost. The 601,427 AK-203 assault rifles to be manufactured by Indo-Russia Rifles Private Limited in Amethi District under an agreement concluded during this visit¹¹ are the most advanced version of the most widely used firearm in the world, the AK-47. Retaining strategic independence necessitates maintaining strong relations with both sides, balancing their pressures through deft diplomacy.

One area of difficulty that will have to be managed is the reported tension between Russia and Ukraine. India depends on Ukraine not only for the Zorya Mashproekt marine gas turbines that propel its Delhi, Kolkotta and Visakhapatnam class destroyers and Talwar-class frigates, but also for Antonov AN-32 aircraft and aircraft engines made by Motor Sich Ukraine for the Mi series of helicopters. A large variety of spares for Russian origin equipment are also sourced from Ukraine. China too is involved in this balancing act, having bought the under construction aircraft carrier Varyag from Ukraine and turned it into the Liaoning, and seeking to take over Motor Sich. The Ukrainian need for US support and strong US pressure has resulted in China's acquisition being blocked for the time being, resulting in China taking its course to the Permanent Court of Arbitration in The Hague¹². This is in stark contrast to

¹¹ India-Russia ink AK-203 assault rifle deal, renew 10-year pact for military technical cooperation, <https://www.indiatoday.in/india/story/india-russia-ink-ak-203-assault-rifle-deal-1884619-2021-12-06>

¹² China's Stryzkon takes Ukraine to The Hague over failed Motor Sich bid, <https://www.scmp.com/news/china/diplomacy/article/3157936/chinas-stryzkon-takes-ukraine-hague-over-failed-motor-sich-bid>

China having spurned the Tribunal's verdict in the South China Sea case. Double standards could not be more evident.

The US, on the other hand, will note India's continued firmness in standing up for its core interests including territorial integrity (which the US cannot possibly guarantee) and its strategic autonomy. China will note Russia's neutrality on India-China issues and its ready acceptance of India's Indo-Pacific position. The visit provides a reality check for both, signalling that India cannot be pressurised into giving up its core interests.

The Biden Putin Summit

Six months after their meeting in Geneva on June 16, 2021, Presidents Joseph Biden and Vladimir Putin came together for a virtual summit on December 07, 2021. The White House released a short, one paragraph readout of the discussion, focusing primarily on President Biden's warning of strong economic and other measures in the event of military escalation by Russia in Ukraine, US-Russia Strategic Stability, a separate dialogue on ransomware, and joint work on regional issues such as Iran¹³.

The Russian readout was more informative, though the broad themes remained the same¹⁴. President Putin reportedly discussed the outcomes of the June 2021 Geneva Summit and the importance of implementing agreements reached at the highest level. On Ukraine, he said that both had committed in Geneva to pursuing a diplomatic solution under the Minsk Agreement¹⁵. Russia shared specific examples of Kiev's "policy to dismantle the Minsk Package" and expressed serious concern about Kiev's provocations against the Donbas. President Putin warned against shifting the onus of responsibility to Russia, since it was NATO that was undertaking "dangerous attempts to gain a foothold in Ukrainian territory and building up capabilities along the Russian border". That is why, he said, Russia was eager to obtain reliable and legally binding guarantees ruling out NATO's eastward expansion and the deployment of offensive weapon systems in countries bordering Russia¹⁶.

¹³ Readout of President Biden's Video Call with President Vladimir Putin of Russia, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/12/07/readout-of-president-bidens-video-call-with-president-vladimir-putin-of-russia/>

¹⁴ Meeting with US President Joseph Biden, <http://en.kremlin.ru/events/president/news/67315>

¹⁵ See commentary on the Geneva Summit in the June 2021 edition of the Indo-Pacific Monitor, https://www.delhipolicygroup.org/uploads_dpg/publication_file/volii-issue6-2535.pdf

¹⁶ Ibid

Other issues alluded to in the Russian readout were cyber security, Iran and bilateral relations. On the first, President Putin expressed his readiness to continue working together in practical matters related to combating cyber crime through the criminal justice process as well as through the use of technical intelligence. On Iran, he noted the importance of ensuring the JCPOA was fully implemented in its original version. On bilateral relations, he said the scaled down relations resulted in the level of cooperation between the countries being unsatisfactory. He ascribed this to the policy line adopted by the Trump administration, when it started enacting far-reaching restrictions, bans and expulsions of Russian diplomats, compelling Russia to respond in kind. He proposed resetting all existing restrictions regarding the functioning of the diplomatic missions, which would help bring other aspects of the relationship between the countries back to normal¹⁷.



Presidents Joe Biden and Vladimir Putin at the Virtual Summit, December 7, 2021.
Source: Twitter(@WhiteHouse)

For Europe and its professed concerns about the Russian threat, continued expansion of NATO and democracy eastwards to contain Russia is vital. There is commonality of outlook in this between Western Europe and the countries that were under Soviet influence during the Cold War, but are now part of the EU and members of NATO. Russia remains a threat, even though the four big

¹⁷ Ibid

European powers combined spend four times as much on defence every year than Russia does. Russia, on the other hand, sees its security buffer region having been whittled down substantially after the breakup of the Soviet Union. President Putin's views on Ukraine and its importance to Russia were articulated by him in July 2021¹⁸. A key element is that Crimea became an autonomous republic of the USSR in 1917, was occupied by Nazi Germany during WWII, had virtually its entire Tartar population deported by Stalin to Central Asia after the war. It was illegally transferred by Khrushchev to Ukraine in 1954, in violation of Soviet law and despite cultural and ethnic affinity with Russia, to buy Ukrainian unity with the USSR¹⁹. Putin acknowledges this act by Khrushchev was a mistake and has remained consistent about Crimea being a part of Russia and the dangers that continued NATO expansion eastward poses. He considers such expansion into Ukraine a major red line, and seeks legal guarantees to prevent it.

Despite reiteration of support for advancing the Minsk Agreement in support of the Normandy Format²⁰ (the agreement essentially calls for reintegration of the breakaway Luhansk and Donetsk People's Republics in exchange for acknowledgement of their special status by a resolution of Ukrainian parliament and assurances of greater autonomy), President Biden will be bound by imperative of carrying European partners along. Western media reports have already expressed concern about President Biden having offered his Russian counterpart the olive branch of talks between the four major NATO partners and Russia²¹. NATO Secretary-General Jens Stoltenberg is clear that Russia has neither a voice in Ukraine nor the right to establish a sphere of influence and control its neighbours²². The prospects of NATO accepting the Russian red line are dim. President Biden will have to find a way to bridge the gap between NATO views and the natural US desire to prevent escalation of a situation that could entangle the US in Europe, at a time he wants to focus on the Indo-Pacific.

¹⁸ Article by Vladimir Putin "On the Historical Unity of Russians and Ukrainians", <http://en.kremlin.ru/events/president/news/66181>

¹⁹ Mark Kramer, "Why Did Russia Give Away Crimea Sixty Years Ago", <https://www.wilsoncenter.org/publication/why-did-russia-give-away-crimea-sixty-years-ago>

²⁰ Press Briefing by Press Secretary Jen Psaki and National Security Adviser Jake Sullivan, December 7, 2021, <https://www.whitehouse.gov/briefing-room/press-briefings/2021/12/07/press-briefing-by-press-secretary-jen-psaki-and-national-security-advisor-jake-sullivan-december-7-2021/>

²¹ Joe Biden Hints at Concession Over Ukraine's Membership of NATO to Placate Moscow, <https://www.telegraph.co.uk/world-news/2021/12/08/joe-biden-hints-concession-ukraines-membership-nato-placate/>

²² Russia has 'no right' to demand Ukraine be excluded from NATO, says alliance chief, <https://www.telegraph.co.uk/world-news/2021/12/01/russia-has-no-right-demand-ukraine-excluded-joining-nato-says/>

Notwithstanding appearances, a Russian invasion in the region is unlikely. The Russian leader is unlikely to decide that a physical intervention in Ukraine will be conducive to overcoming the Western strategy of ‘Divide and Rule’ he sees is in play. The costs of an actual conflict will be high, given the impact of sanctions in Russia’s weakened economic state, the innate capability of Ukrainian Armed Forces, the military supplies being provided by the US and the intelligence that will accompany it. Support from behind the scenes and grey zone activity has become a far more productive approach. Russian actions are more likely intended to test US resolve. They may also be part of a joint strategy formulated in partnership with China to help divert US focus. On the other hand, President Biden’s slow movement on implementing decisions of the June 2021 summit may be intended to test Russia’s resolve.

Bridging the differences between the US and Russia remains critical to enable the US to focus on the Indo-Pacific. Six months down the line, however, there is little change in positions and little to show that the US will indeed be able to pivot to the Indo-Pacific. The alternative will be retaining focus on Russia in Europe and China in Asia, something that the US may not be able to sustain for too long.

The Democracy Summit

The world is experiencing a democratic recession. This is a far cry from the period after collapse of the Soviet Union, when states turned en masse towards democracy. The most prominent example is China, where a facade of gradual democratisation led to flawed assumptions regarding the end of history. These have now been turned on their head, resulting in the emergence of what the US administration acknowledges is its “pacing threat” for the 21st century. There is need for democracy to reinvent itself, just as communism did in China, adopting a different path with Chinese characteristics. The Democracy Summit, convened by President Joe Biden on December 9 & 10 marked the first serious attempt to discuss the challenges currently facing democracies on a global scale. It was fulfilment of a campaign pledge, wherein Biden had committed to hosting a summit to “bring together the world’s democracies to strengthen our democratic institutions, honestly confront nations that are backsliding, and forge a common agenda”²³. It also reflected Biden’s focus on democracy as a major concept underlying US foreign policy strategy: his

²³ Joseph R Biden, Jr, “Why America Must Lead Again”, *foreign Affairs*, March/April 2020, <https://www.foreignaffairs.com/articles/united-states/2020-01-23/why-america-must-lead-again>

Interim National Security Strategic Guidance had pledged to “join with likeminded allies and partners to revitalize democracy the world over”²⁴.



President Joseph Biden and Secretary of State Antony Blinken at the Democracy Summit. Source: Twitter (@StateDept)

The summit was organised around three themes: defending against authoritarianism, addressing and fighting corruption, and promoting respect for human rights²⁵. The first theme signals the priority. As seen by the US, the challenge to democracies arises from political polarisation due to public distrust and the failure of governments to deliver equitable and sustainable economic and political progress as well as the rise of leaders who were undermining democratic norms and institutions. Other challenges included weak state capacity, the tenuous rule of law, high inequality and corruption, and authoritarian leaders reaching across borders to undermine democracy through targeting the media, meddling in elections and sowing disinformation²⁶. The objective was to consult with governments, multilateral organisations, civil society and the private sector to solicit ideas around the three chosen themes and provide a platform for leaders to announce both

²⁴ Interim National Security Strategic Guidance, March 2021, <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>

²⁵ “The December 2021 Summit”, <https://www.state.gov/further-information-the-summit-for-democracy/>

²⁶ Ibid.

individual and collective commitments to defend democracy and human rights both at home and abroad.

It brought together more than 275 participants, representing governments, multilateral institutions, activists, journalists, parliamentarians, and other²⁷. Heads of a total of 111 governments were invited to attend²⁸. That over 100 attended reflects the influence the US commands in the world. However, the selection of invitees generated adverse comment. Criteria for selection were not made public, but appear to have been determined by a mix of US geopolitical interests, the willingness of those invited to commit to US leadership and initiatives, and the state and trajectory of democracy in the countries invited. Only 16 of the 54 African countries made the cut (of them, South Africa declined the invitation). West and Central Asia were unrepresented, except for Israel and Iraq. From ASEAN, only Indonesia, Malaysia and the Philippines were invited. Singapore was a conspicuous omission.

President Biden was careful to emphasise in his opening remarks that the objective was not to assert that any one democracy was perfect and had all the answers, but to reaffirm shared commitments, share ideas and learn from each other, and to make concrete commitments on how to strengthen democracies and push back on authoritarianism, fight corruption, and promote and protect the human rights of people everywhere²⁹. He spoke of having released the first US Strategy on Countering Corruption and its five pillars (modernising, coordinating and resourcing US government efforts to fight corruption; curbing illicit finance; holding corrupt actors accountable; preserving and strengthening the multilateral anti-corruption architecture; and improving diplomatic engagement and leveraging foreign assistance resources to advance policy goals)³⁰. He announced the Presidential Initiative for Democratic Renewal, with its five point agenda of supporting free and independent media; fighting corruption; bolstering democratic reformers; advancing technology for democracy; and defending free and fair elections

²⁷ Summit for Democracy Summary of Proceedings, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/12/23/summit-for-democracy-summary-of-proceedings/>

²⁸ Summit for Democracy: Invited Participants, <https://www.state.gov/participant-list-the-summit-for-democracy/>

²⁹ Remarks by President Biden at the Summit for Democracy Opening Session, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/12/09/remarks-by-president-biden-at-the-summit-for-democracy-opening-session/>

³⁰ United States Strategy on Countering Corruption, <https://www.whitehouse.gov/wp-content/uploads/2021/12/United-States-Strategy-on-Countering-Corruption.pdf>

and political processes³¹. This included committing \$ 224 million for the said agenda, an amount that would be increased to \$ 424 million next year, subject to congressional authorisation.

Prime Minister Narendra Modi's national statement drew attention to the origins of India's democratic tradition 2500 years ago. This democratic spirit had been revived with India's independence, leading to unprecedented socio-economic inclusion within the country and improvement in health, education and human well-being that had proved to the world that democracy can and has delivered in India. The Prime Minister described the basic strength of democracy as lying in the spirit and ethos of India's citizens and societies: it was not only of the people, by the people and for the people, but also with the people and within the people. He pointed out that different parts of the world had followed different paths of democratic development, due to which there was much all could learn from each other. All needed to continuously enhance inclusion, transparency, human dignity, responsive grievance redressal and decentralisation of power³². He offered to share India's expertise in the holding of free and fair elections and enhancing transparency in all areas of governance through innovative digital solutions with other nations. He also spoke of jointly shaping global norms for emerging technologies like social media and crypto-currencies, so that they were used to empower democracies and not to undermine them.

Predictably, China and Russia pre-empted with a counter-offensive. An unprecedented joint op-ed by their Ambassadors in Washington DC spoke of the US arbitrarily empowering itself to define who is a democratic country and who is not, and rejecting this move³³. They observed that a truly democratic government would support democracy in international relations: it would not foster hegemony and division abroad while building democracy and unity at home. They also said that no country had the right to judge the world's vast and varied political landscape by a single yardstick and compel other countries to copy one's system through colour revolutions, regime change and even the use of force. China also released a white paper titled "China: Democracy That

³¹ Fact Sheet: Announcing the Presidential Initiative for Democratic Renewal, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/12/09/fact-sheet-announcing-the-presidential-initiative-for-democratic-renewal/>

³² National Statement by Prime Minister Narendra Modi at the Summit for Democracy, http://mea.gov.in/Speeches-Statements.htm?dtl/34637/National_Statement_by_Prime_Minister_Narendra_Modi_at_the_Summit_for_Democracy

³³ Russian and Chinese Ambassadors: Respecting People's Democratic Rights, <https://nationalinterest.org/feature/russian-and-chinese-ambassadors-respecting-people%E2%80%99s-democratic-rights-197165>

Works"³⁴. Its Vice-Foreign Minister delivered a speech "On Democracy, the People Know the Best"³⁵. It may be difficult to convince people across the world that China and Russia represent democracies, but that will clearly not be due to want of effort from them.

The US is the world's oldest standing democracy (its constitution was written in 1787, ratified in 1788 and has been in operation since 1789)³⁶. It had no peer competitor in the last three decades. However, promotion of democracy has never figured highly on list of US priorities. A July 2000 report by the Commission on US National Interests, with Graham Allison and Robert Blackwill as lead authors, classified US interests under four categories. It does not include democracy among vital interests³⁷. In extremely important interests, it restricts itself to promotion of democracy in the Western Hemisphere. Important interests include promotion of pluralism, freedom and democracy in strategically important states to the extent feasible without destabilisation. It is only in secondary interests that promoting democracy for its own sake finds mention.

Moreover, the US track record on democracy promotion speaks of geopolitical objectives having destabilised democratic governments time and again. The US has consistently supported dictators and demagogues in search of elusive political stability, as in the Persian Gulf States, Pakistan and Cambodia. It has intervened through sponsored revolutions, regime change and the use of unilateral force, as in Albania (early 1950s), Iran (1953), Syria (1956-57), Indonesia (1957-58 and 1965-66), Cambodia (1959 and 1969-75), Cuba (1961), Iraq, Afghanistan and many others. Even the UN system and its Security Council, set up by the victorious WWII powers, is an example of George Orwell's "All animals are equal, but some animals are more equal than others"³⁸.

Far too often, American NGOs have set themselves up as arbiters of what constitutes democracy, or how democratic a nation is. Their views do not take into account the different developmental experiences and levels of education

³⁴ China: Democracy That Works, http://www.china-embassy.org/eng/zgyw/202112/t20211204_10462468.htm

³⁵ On Democracy, the People Know the Best, https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/202112/t20211202_10461490.html

³⁶ Constitution of the United States, https://www.senate.gov/civics/constitution_item/constitution.htm

³⁷ Report of the Commission on America's National Interests, July 2000, <https://www.belfercenter.org/sites/default/files/files/publication/amernatinter.pdf>

³⁸ From George Orwell, in "Animal Farm". Although directed against Bolshevik Russia, the quote is equally applicable to the UNSC with its hierarchy of permanent members with veto rights.

of countries who emerged from colonial rule, imposed on them by democracies. The reality is that the excesses committed by democratic colonial masters often exceeded those committed by Hitler, Stalin or Mao. So even those who attended the summit can be excused for being sceptical about US statements or intentions. The acceptance by President Biden that the objective was not to preach democracy but to learn from each other is a welcome step. It does, however, run counter to the US ethos over the last few decades. The vast majority of states will watch to observe whether the US approach signals a true change of tack, and whether it can be sustained across succeeding administrations.

Being the first summit of its kind, it would be premature to expect a plan of action to emerge. President Biden did perhaps succeed in sounding an alarm about the state of democracy in the world. He has committed to a second summit sometime next year, to take stock of progress. If the US can build its credibility and commitment, there may be some indicators of a consensus based plan emerging then.

The summit will be at odds with the US Indo-Pacific strategy and its endeavour to build a coalition to stand up to China, particularly in South East Asia. In South Asia, Bhutan, Bangladesh and Sri Lanka were not invited, though Pakistan was. In South East Asia, seven of the ten ASEAN member states were not invited. The perceived snub will make it difficult for the US to deal with uninvited states in the ongoing Indo-Pacific competition, especially considering that patently non-democratic states like Pakistan, DRC and Kenya were invited. Whether this is a display of incoherent thinking or a carefully thought out strategic plan will become evident in the years ahead.

China Africa Cooperation

China continued its focused outreach towards Africa, with Foreign Minister Wang Yi and Minister of Commerce Wang Wentao co-chairing the 8th Forum for China Africa Cooperation (FOCAC) at Dakar, along with their Senegalese counterparts, on November 29 & 30, 2021. The Forum witnessed the attendance of ministers from 53 African countries. President Xi Jinping delivered the keynote address at the opening ceremony, witnessed by the Antonio Guterres, the UN Secretary General, as well as the heads of six African states³⁹.

³⁹ Xi Jinping Attends the Opening Ceremony of the Eighth Ministerial Conference of the Forum on China-Africa Cooperation and Delivers a Keynote Speech, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202112/t20211207_10463463.html



President Xi Jinping Delivers the Keynote Address at the Opening Ceremony of the 8th Ministerial Conference of the Forum on China-Africa Cooperation, November 29, 2021. Source: Forum on China-Africa Cooperation.

President Xi Jinping focused on four themes for China-Africa Cooperation in his speech titled "Uphold the Tradition of Always Standing Together in the New Era and Jointly Build a China Africa Community with a Shared Future"⁴⁰: fighting Covid-19 with solidarity, deepening practical cooperation, promoting green development, and upholding equity and justice. He went on to announce nine programmes that China would implement over the next three years, as follows:-

1. Under a medical and health programme, China will provide another one billion doses of vaccines to Africa, 600 million as a donation and the balance to be produced jointly by Chinese companies and the relevant African countries. China will also undertake ten health projects for African countries and send 1500 medical personnel and public health experts to Africa.
2. A poverty reduction and agricultural development programme will result in ten poverty reduction projects and the deputation of 500 agricultural experts to Africa, along with an initiative calling for 100 (Chinese) companies to build 1000 demonstration villages.

⁴⁰ "Uphold the Tradition of Always Standing Together in the New Era and Jointly Build a China-Africa Community with a Shared Future", https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202111/t20211129_10458609.html

3. Under a trade promotion programme, China will implement ten connectivity projects, open 'green lanes' for African agricultural exports to China, and increase the scope of products enjoying zero-tariff treatment so as to reach \$ 300 billion in total imports from Africa over the next three years. China will also provide at least \$ 10 billion in trade finance to support African exports.
4. Under the investment promotion programme, China will encourage its businesses to invest at least \$ 10 billion in Africa in the next three years. It will also undertake ten industrialisation and employment promotion projects, provide credit facilities amounting to \$ 10 billion to African financial institutions, and channel \$ 10 billion from its share of the IMF's new allocation of Special Drawing Rights to Africa.
5. The digital innovation programme will result in cooperation on remote sensing applications and development of joint laboratories, partners institutes and scientific and technological innovation cooperation bases. China will also expand Silk Road e-commerce cooperation and launch a campaign to market 100 African stores and 1000 African products on e-commerce platforms.
6. A green development programme will see China undertaking ten green development, environmental protection and climate action projects for Africa.
7. A capacity building programme will see China helping build or upgrading ten schools in Africa and inviting 10,000 high-level professionals to seminars and workshops in China. It will also train African students in China and encourage Chinese companies in Africa to create at least 800,000 local jobs.
8. Under a cultural and people-to-people exchange programme, China will make African countries with whom it had diplomatic ties approved destinations for Chinese tourist groups, hold film festivals to exhibit films produced in China in Africa and vice versa, and hold a youth services forum, as well as a women's forum.
9. Finally, under the peace and security programme, China will undertake ten peace and security projects for Africa, continue to deliver military assistance to the AU, support African countries' efforts to independently maintain regional security and fight terrorism, and conduct joint exercise and on-site training.

The Dakar Action Plan 2022 – 2024⁴¹, which was more detailed and far-reaching than previous plans, essentially spelt out the areas of cooperation

⁴¹ Forum on China-Africa Cooperation Dakar Action Plan (2022-2024), https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202112/t20211202_10461183.html

identified by President Xi's keynote speech. The Dakar Declaration of the Eighth Ministerial Conference of the Forum on China Africa Cooperation, dated December 03 rounded off the proceedings⁴².

The vast scope of cooperation announced speaks of a carefully thought out strategic vision intended to enhance China's influence in this key geographic and resource region. China has the ability to deliver, and quickly, where it finds the ground suitable. The aid offered totalling over \$ 50 billion and the lure of purchasing around \$ 100 billion of agricultural produce every year will incentivise even the 16 African democracies which attended President Biden's Democracy Summit not to rock the boat. The projects, covering the gamut of national infrastructure, will no doubt deliver short term benefits, but will also create dependencies that China has become adept at exploiting for its own purposes, as demonstrated by the examples of Lithuania, Australia, the Philippines and others. And unlike in the case of European or even some Asian countries, Africa's ability to resist Chinese coercion will be much lower. A cohesive and coordinated response from Western (and Asian) democracies would be far more useful in countering China's influence than individual action.

The Putin Xi Jinping Summit

If the Biden-Putin virtual summit was cold and projected a strategic divide, the virtual summit between Presidents Putin and Xi Jinping barely a week later, on December 15, projected the image of warmth and a tightening strategic embrace. Putin said, "I regard these relations as a shining example of interstate cooperation in the 21st century⁴³. Xi, on his part, "expressed his deep appreciation of Russia's actions and readiness to work with President Putin to review progress made in bilateral relations this year, draw up new plans for cooperation across the board, and promote the sustained and high-quality development of bilateral ties"⁴⁴.

The two sides officially announced renewal of the bilateral Treaty of Good-neighbourliness and Friendly Cooperation and extended support to each other's core interests. They noted that bilateral trade in the first 11 months of 2021 had increased by 31% over the previous year to \$ 123 billion and expected

⁴² Dakar Declaration of the Eighth Ministerial Conference of the Forum for China-Africa Cooperation,

https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202112/t20211203_10461779.html

⁴³ Talks with President of China Xi Jinping,

<http://en.kremlin.ru/catalog/persons/351/events/67364>

⁴⁴ President Xi Jinping Had a Virtual Meeting with Russian President Vladimir Putin,

https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202112/t20211215_10470186.html

it to cross the \$ 200 billion mark in the near term. They were jointly implementing a number of large-scale joint projects in energy, including nuclear generation, industry and high technology. They both appreciated their joint response to the pandemic, the smooth working of the multifaceted dialogue mechanisms between the two governments, strengthening parliamentary cooperation and close coordination between their foreign policy and defence departments. They spoke of their close coordination in the world arena and responsible approach to current global problems, which had become a significant factor of stability in international relations, and appreciated their contribution to the formation of a just world order based on international law. They discussed an independent financial structure to reduce their reliance on Western banks and vulnerability to unilateral US-sanctions. Even as the US contemplated a diplomatic boycott of the Beijing Winter Olympics, President Putin committed to meeting President Xi in Beijing in February for a summit before participating in the opening ceremony.



Presidents Putin and Xi at their Virtual Summit on December 15, 2021. Source: Ministry of Foreign Affairs of the People's Republic of China

Much of China's international success today is due to its successful exploitation of the fact that trade and investments are the key building blocks of securing influence in a liberal, globalised world. Having thrived as the world's factory in an era where transportation security was underwritten by the US, China focused on building military power, hiding its strength and biding its time. The assessment that he now possesses sufficient power to give the US pause drives Xi Jinping's efforts to change the system in his (and his country's) favour. China's strength is not yet enough for open military confrontation, hence the choice of a grey zone strategy which has so far worked exceptionally well.

China has also succeeded in making common cause with Russia, setting aside differences and maximising opportunities for cooperation. The approach has yielded rich dividends, proving access to Russia's vast resources to feed China's voracious industrial appetite. Dogmatic hostility towards Russia and other limitations of leadership have prevented the US and Western Europe, including NATO, from devising and implementing innovative strategies to break Russia-China cohesion. But such strategies are essential: the Russia-China combination could prove too large for the West to constrain, even as China continues gathering economic strength. That the US and NATO both recognise this comes out from their June 2021 commitment to enhance NATO ability to preserve and shape the international rules-based order in areas that are important to Allied security, including the Indo-Pacific. The new strategic concept to be presented at the 2022 NATO Summit will provide a glimpse into whether Western democracies have truly come to grips with the looming challenge.

For India, establishing its own place in the world, the interplay between the democratic and authoritarian blocs will generate both opportunities and challenges. National and alliance policies are shaped more by interests and how they come together to achieve common objectives, even if ideology and/or religion provide the facade for domestic politics. As India's outreach to the US continues and the Quad gathers strength (and a Western Quad, comprising India, the US, Israel and UAE comes into being), there has been speculation about a potential India – China – Russia entente. The specific conditions for this may even have been explored by Putin during his visit to India. The extent to which India will play ball with either side will depend to a large extent on how far they go in satisfying India's core interests – and the coming clash with China's interests, particularly along the border areas and in the Indian Ocean.

National Defense Authorisation Act 2022

The US National Defense Authorisation Act, passed by Congress on December 15, 2021 and awaiting the President's assent at the time of writing, provides an opportunity to assess the direction of US security policy. The Act for FY 2022 addresses concerns such as strategic competition with China and Russia; the increased usage of disruptive technologies like hypersonic weapons, artificial intelligence, 5G and quantum computing; caters for modernisation of ships

and aircraft; and improving the lives of members of the US military and their families⁴⁵.



USNS Nimitz in the Indian Ocean on December 18, 2021

Source: US Navy

Overall Authorisation. The Act authorises a total of \$777.7 billion for national defense, including \$740.3 billion for the Department of Defense, \$27.8 billion for the Department of Energy and \$9.9 billion for Defense-related activities outside NDAA jurisdiction⁴⁶. This is 5% above the \$740.5 billion authorised in FY 2021. The 'hike' is below annual inflation - official data shows that consumer prices in the US have risen by an average of 6.8% over the preceding 12 months⁴⁷.

Personnel. The Act authorises a total strength of 1,348,040 personnel including 485,000 Army, 346,920 Navy, 178,500 Marine Corps, 329,220 Air Force and 8,400 Space Force personnel. The US Navy sees a reduction of 880 personnel, the USMC of 2700, and the USAF of 1255. The sanctions for the Space Force are an accretion, resulting in overall manpower strength going up by 3585 personnel. It supports a pay increase of 2.7% for military and civilian personnel, substantially lower than the official inflation rate⁴⁸. It also includes military

⁴⁵ Summary of the Fiscal Year 2022 National Defense Authorization Act, <https://www.armed-services.senate.gov/imo/media/doc/FY22%20NDAA%20Agreement%20Summary.pdf>

⁴⁶ Summary of the Fiscal Year 2022 National Defense Authorization Act, <https://www.armed-services.senate.gov/imo/media/doc/FY22%20NDAA%20Agreement%20Summary.pdf>

⁴⁷ Congressional Research Service Insight IN 11832 dated December 21, 2021, "Breaking Down the US Inflation Rate", <https://crsreports.congress.gov/product/pdf/IN/IN11832>

⁴⁸ Ibid.

justice reform legislation with a focus on gender-specific offences and creates new entitlements of leave, family support and healthcare, reflecting the left progressive agenda of the current administration.

Procurement. NDAA 2022 authorises procurement of aircraft, missiles, weapons and platforms and other military equipment amounting to \$ 146.885 billion (including \$ 23.35 billion for the US Army, \$ 63.3 billion for the US Navy and \$ 49.96 billion for the US Air Force). This is \$ 14.68 billion higher than was requested by the administration. The big gainer is the US Navy, which is authorised \$ 8.15 billion over and above what was sought by the administration. Consequently, the USN has been authorised to build three Arleigh Burke class destroyers, two Virginia-class attack submarines, two used sealift vessels, two expeditionary fast transports, one fleet oiler, one Constellation class frigate and miscellaneous additional vessels. It has also been authorised to purchase 12 F/A-18 aircraft, an additional E-2D, two C130Js, two CH-53K helicopters, two MQ-4C Triton unmanned aerial systems and miscellaneous sensors. The USAF similarly sees its procurement budget being increased by \$ 2.75 billion over what was requested.

Other Expenditure. Other broad areas of expenditure authorised include Research and Development, which gets \$ 117.73 billion, Operation and Maintenance expenditure of \$ 255.4 billion; personnel expenditure of \$ 166.9 billion and military construction amounting to \$ 13.3 billion. To put this in perspective, just the operation and maintenance costs are larger than the total defence budgets of China, or of Japan, South Korea, Australia and India combined, reflecting the fact that the USN has to operate far from its shores. Whether this will suffice to address shortfalls in maintenance infrastructure and the long backlog is a moot question.

Indo-Pacific. On the Indo-Pacific, the Act specifies “the sense of Congress that the Secretary of Defense should recommit to and strengthen United States defense alliances and partnerships in the Indo-Pacific region so as to further the comparative advantage of the United States in strategic competition with the PRC”, including by:-

- Enhancing cooperation with Japan, ... including by developing advanced military capabilities, fostering interoperability across all domains, and improving sharing of information and intelligence;
- Reinforcing the US alliance with ROK and maintaining the presence of approximately 28,500 US personnel.

- Fostering bilateral and multilateral cooperation with Australia, consistent with the ANZUS Treaty, to advance shared security objectives and build the capabilities of emerging partners.
- Advancing US alliances with the Philippines and Thailand and US partnerships with other partners in ASEAN to enhance MDA, promote sovereignty and territorial integrity, and collaborate on vetting Chinese investments in strategic technology sectors and critical infrastructure.
- Broadening the engagement of the US with India, including through the Quadrilateral Security Dialogue, to:-
 - Advance the shared objective of a free and open Indo-Pacific region through bilateral and multilateral engagements and participation in military exercises, expanded defense trade, and collaboration on humanitarian and disaster response.
 - Enable greater cooperation on maritime security and the threat of global pandemics, including COVID-19.
- Strengthening the US partnership with Taiwan.
- Reinforcing the status of Singapore as a Major Security Cooperation partner of the US.
- Engaging with the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau with the goal of strengthening regional security and addressing issues of mutual concern, including protection from IUU fishing.

Pacific Deterrence Initiative. NDAA 2021 had provided \$ 2.235 billion for the Pacific Deterrence Initiative. NDAA 2022 increases this to about \$ 7.1 billion to improve the current posture, capabilities and activities of US forces in the Indo-Pacific region. It requires Commander INDO-PACOM to submit an annual report of activities and resources required to implement the National Defense Strategy with respect to the Indo-Pacific, including maintenance or restoration of comparative military advantage of the US with respect to China, a description of the intended force structure and posture of assigned and allocated forces to achieve objectives; logistic requirements including personnel, equipment, supplies, storage and maintenance needs; infrastructure and military construction needs; security cooperation activities required and a plan to fully resource US force posture and capabilities. The Act specifies, "It shall be the policy of the US to maintain the capacity of the US to resist a fait accompli that would jeopardise the security of the people of Taiwan".

Indian Ocean. The Act requires the Secretary of Defense to submit an assessment of the security of global maritime choke points from the threat of

hostile kinetic attack, cyber disruptions and other forms of sabotage. Intriguingly, four of the five choke points identified (the Panama and Suez Canals and the Straits of Bab-el-Mandeb, Hormuz and Malacca) provide entry into the Indian Ocean. However, the Indian Ocean does not figure in the Act. A provision relating to Diego Garcia that was present in the House Resolution, before it went to the Senate, has been removed. The Act further modifies the South China Sea Initiative of 2016 (which later became the Indo-Pacific Maritime Security Initiative) by extending coverage to all countries within the Area of Responsibility (AOR) of the Indo-Pacific Command and authorising expenditure of \$ 50 million per year till 2027 for training and assistance to increase maritime security cooperation and improve Maritime Domain Awareness.

Missile Defence. The Act directs the identification of an architecture and acquisition approach to enable development of a comprehensive missile defence capability to be fielded on Guam within ten years. It requires the development of energy based missile defences and a highly reliable missile defense interceptor for the Ground-based Midcourse Defense System. It also authorises funding for the Iron Dome short-range rocket defense system, David's Sling Weapon System and the Arrow 3 Upper Tier Interceptor Program, while establishing options for expanded US-Israel co-production.

President Biden's Interim National Security Strategic Guidance⁴⁹ had identified three national security objectives: Defending and nurturing the underlying sources of American strength, including the people, the economy, national defense and democracy at home; promoting a favourable distribution of power to deter and prevent adversaries from directly threatening the US and allies, inhibiting access to the global commons, or dominating key regions; and leading and sustaining a stable and open international system. The people of the US Armed Forces at least appear to have received the short end of the stick, with their pay not keeping pace with inflation. Whether the affirmative action that forms part of the progressive agenda and has been covered by NDAA 2022 will compensate remains to be seen. The objective of promoting a favourable distribution of power will also be tested, as will the objective of sustaining a stable and open international system. The contours of a new National Security Strategy are still awaited, as is the US grand strategy towards China. It is these documents that will enable an assessment of US direction in the years ahead.

⁴⁹Interim National Security Strategic Guidance, March 2021,
<https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>

The Kurt Campbell Interview

The Kurt Campbell interview was intended primarily for the Australian audience and covered four broad themes: the Indo-Pacific Operating System; AUKUS; the Quad; and China⁵⁰. According to Mr Campbell, the Indo-Pacific was, over the last 40 years, the greatest experience of wealth creation ever seen by humanity. The US had played a role, through creation of an operating system that kept American markets open, provided security, and supported freedom of navigation and peaceful resolution of disputes. This fabric had provided confidence to countries to innovate. The system was, however, a living entity, continuously evolving. The US objective was not to secure the past, but to sustain the system as Asia moved ahead. This would necessitate the deepest integration and engagement with partners and allies over the long term. On the US developing an economic strategy to integrate the region, he said elements were taking shape, President Biden had articulated his vision during the East Asia Summit and the APEC Summit.

On AUKUS, he made it clear that sharing of US nuclear propulsion technology was only for Australia, and was not on offer for others. He was confident that a way could be found to deliver the technology to Australia despite its lack of a nuclear industry. Other countries were welcome to participate in the AI and cyber parts of the agreement. The US had appointed an AUKUS Administrator to help design the architecture that would bind the US, Australia and the UK together, set up working groups to maintain deterrence and initiative in the military and technological areas, and work to provide Australia the best options to field nuclear submarines at the earliest. He visualised that two decades hence, Australian sailors would have the opportunity to serve on US vessels and vice versa, resulting in the kind of strategic intimacy that was needed. He believed that the US relationships with France and Europe in the Indo-Pacific would grow stronger. He did not agree with some Australian leaders who had opined that the acquisition of eight nuclear boats was strategically irrelevant.

On the Quad, he said the most important need over the next year or so was to deepen the relationship between partners and deliver what they had committed to, particularly in vaccines and climate. A large agenda had been agreed upon. Quad leaders would meet at the summit level again next year. The Quad was not against anyone or anything; it was about what the four partners were for, together.

⁵⁰ In Conversation: Kurt Campbell, White House Indo-Pacific Coordinator, <https://www.lowyinstitute.org/publications/conversation-white-house-indo-pacific-coordinator-kurt-campbell>

On China, he expressed concern about the direction of China's economic policy, its security ambitions and its wolf warrior diplomacy in the region and globally. The US assessment was that growing authoritarianism had led to failure of the feedback loop for China's leadership. Consequently, the only way to engage and get things done was at the senior leader level, and this was what the US had done during the November 16 summit. The message that the US was not leaving the Indo-Pacific had been conveyed. At the same time, it had been conveyed that the dominant paradigm was competition, which could be conducted peacefully. The intent was to create mechanisms to avoid misunderstanding and build confidence, while accepting that there were many areas that the two sides disagreed on. He expressed concern about China's expansion of its nuclear capabilities as well as development of hypersonic, ASAT, cyber and other capabilities, and their impact on strategic stability. On Taiwan, he said there was no change in US policy: the Taiwan Relations Act conditioned recognition of the PRC on the premise that the Taiwan issue would be resolved peacefully. The US would continue to maintain capabilities to respond to any scenario in the Western Pacific, and to build Taiwan's deterrent capability, as required under the Act.

There is no denying the US role in construction of the Asia-Pacific Operating System (this has now been expanded to include India and the Indian Ocean in name, if not in reality). There is also no disputing the fact that when China began its assertion in the Scarborough Shoal and South China Sea Islands and a firm response was needed, the democrat-led US baulked and prioritised economic over strategic stability interests. The provision of security and the norm regarding peaceful resolution of disputes were set aside in the face of China's grey zone strategy, leading to a precipitate decline in US influence in the region. The current administration is trying to remedy this situation, but will have to cope with the loss of confidence that the strategic myopia of its predecessors have engendered. Australia, as a faithful US ally, may buy the current US posture, but the region will not do so as easily.

Keynote Speech by EAM Dr S Jaishankar at the Fifth Indian Ocean Conference

EAM Dr. S. Jaishankar began by outlining the trends impacting the Indian Ocean⁵¹. He said that on the one hand, the US was moving towards greater realism both about itself and the world, correcting over-extension, adjusting to

⁵¹ Keynote Address by the External Affairs Minister at the Fifth Indian Ocean Conference, 2021, http://mea.gov.in/Speeches-Statements.htm?dtl/34599/Keynote_address_by_the_External_Affairs_Minister_at_the_5th_Indian_Ocean_Conference_2021

multipolarity and re-examining the balance between domestic revival and commitments abroad. On the other was the challenge of a rising China and its growing capabilities, made more profound because of its centrality and connectedness to the global economy, and resulting in an ongoing debate about the changed nature of power and influence. There was also sharpening of tensions on territorial issues across Asia. These factors underlined the importance of establishing a multipolar Asia as the foundation of a multipolar world.



EAM Dr. S. Jaishankar Delivers the Keynote Address at the Indian Ocean Conference at Abu Dhabi, December 4, 2021. Source: Twitter (@IndembAbuDhabi)

The US withdrawal from Afghanistan had left the region grappling with serious concerns about terrorism, radicalism, instability, narco-trafficking and governance practices. In parallel, the pandemic had provided a once-in-a-century shock to the global system (including the Indo-Pacific system that Kurt Campbell had spoken about), exposing its faultlines and shortcomings and highlighting the dangers of over-centralised globalisation. The result was a greater role for middle powers as well as the stronger practice of regionalism. The world was entering an age of plurilaterals, recognising the shortcomings of multilateralism, the limits of bilateralism and the untenability of unilateralism. The centrality of the Indian Ocean to global processes and a

combination of fatigue and risk aversion by the US would force Indian Ocean nations to take on greater responsibility and display more initiative.

Countries had stepped up in different ways to mitigate the crisis, and India had done its fair share through supply of medicines, vaccines and oxygen, or in taking care of the expatriate population in times of difficulty. The need now was to expeditiously normalise travel through certification recognition to enable restoration of livelihoods.

Other developments had opened new opportunities, erasing artificial divides created during the colonial era. An example of changed thinking was the Abrahams Accords, which had resulted in cooperation between India, Israel, UAE and the US to exploit the connectivity, trade, logistics and economic opportunities that had opened up. Another was India's SAGAR policy. Both boded well for more collaborative efforts in the years ahead.

While rebuilding the Indian Ocean community, we should not repeat mistakes of the pre-COVID era, such as assuming unsustainable levels of debt in pursuit of apparently attractive projects, which had been heightened by the pandemic induced downturn. Another issue was responsible and viable connectivity – when plans and projects lacked transparency, market viability, consultation or local participation, their consequences were unlikely to be beneficial.

While there were challenges, like concerns about terrorism particularly in light of recent developments in the Af-Pak region and the disappointing progress in climate finance coupled with the attempt of developed countries to shift responsibility to developing ones, the vaccine divide etc., there were also positive examples like the Quad and the Indo-Pacific Ocean's Initiative. They key would lie in the rules, which in the maritime domain were governed by UNCLOS 1982, the constitution for the seas. He urged all parties to always show the utmost respect for the convention, including recognising the authority of its tribunal and its awards. Only then could we be assured that the sea lanes of communication remained conducive to peace, stability, prosperity and development.

Dr Jaishankar's address was marked for its realistic appraisal of the regional situation and the challenges that lie ahead. However, mere urging is not going to be enough to lead Indian Ocean nations to think in geopolitical terms. An enabling environment will have to be created, through intensive engagement that addresses the concerns of nations, including their need of funds for investment in creating sustainable infrastructure and generating prosperity. The solution involves the greater spread of democracy and habits of

consultation in the region, as well as carrying Indian Ocean nations along through greater financial support. The two are interlinked; one cannot function effectively without the other. While the US and its partners focus on the Western Pacific, India will have to find innovative ways to generate adequate funds to provide alternatives to China's financial outreach in the Indian Ocean littoral, including through the Quad, Europe and the wealthy Gulf nations.

Prime Minister Kishida's Policy Speech

Prime Minister Kishida's maiden policy speech contained his vision for overcoming the pandemic and putting in place a new form of capitalism to replace the neoliberal approach of leaving everything to markets and competition which, although it drove economic growth, resulted in numerous harmful side effects, including expansion of disparities and poverty and the current issues of climate change. The parallel between his intent to shape a new form of capitalism and China's new form of communism, with Chinese characteristics, is too striking to be missed⁵². His 'new form of capitalism' encompassed promoting innovation, creating a digital garden city nation, climate change and economic security, and investing in distribution to the people. The foundation for this was the diplomacy and security that protected the safety and peace of mind of citizens, as well as Japan's national interests, which form the focus of this commentary.

To strengthen the deterrence and response capabilities of the Japan-US alliance, he committed to visiting the US at the earliest. He also committed to working together with like-minded countries in ASEAN, Europe and elsewhere, including the Quad comprising Japan, the US, Australia and India, so as to realise a Free and Open Indo-Pacific. His administration placed great importance to maintaining and strengthening the international rules-based order, including dealing with international human rights issues.

As the security environment surrounding Japan had become increasingly severe, his administration would focus on protecting the Japanese people in new domains such as space and cyberspace, improvements in missile technology and the defence of remote islands, examining all options including possession of enemy base attack capability. Towards this end, he committed to drawing up a new National Security Strategy, National Defence Programme

⁵² Policy Speech by Prime Minister KISHIDA Fumio to the 207th Session of the Diet, https://japan.kantei.go.jp/101_kishida/statement/202112/_00002.html

Guidelines and a Mid-term Defence Programme over the next year or so. He also said he would conduct firm diplomacy with neighbours, aimed at fostering the region's peace and security. He would "say to China things that need to be said" and strongly urged China to act responsibly, while at the same time aiming to build constructive and stable relations. He aimed to develop Japan-Russia relations under a policy of resolving territorial the issue and concluding a peace treaty. He urged South Korea to make appropriate responses based on Japan's consistent position of treating it as an important neighbour. He also looked forward to active discussions taking place in the Diet and across society, to earnestly address how the Constitution should be reformed.



Japan clearly continues to prioritise the alliance with US as the solution to the region's security problems. This is only natural, given the huge role the US has played in underwriting regional security and the overriding need to keep the US engaged. There is little to indicate, however, that Japan will commit more towards the Indian Ocean, notwithstanding talk about a Free and Open Indo-Pacific. How effectively Japan can and will contribute to allaying India's security concerns still remains a moot question.

The commitment to review the National Security Strategy and the separately reported news about increases in Japan's defence budget, with some talking of it rising to 2% of the GDP, as well as some relatively strong statements about defending Taiwan, are positive signs. So too is the willingness to explore constitutional reform and to develop 'enemy base attack capability'. Whether China will accept being spoken to strongly, or will moderate its behaviour in the face of increased Japanese determination to defend national interests, will determine the future of East Asia.

Secretary of State Antony Blinken on the Free and Open Indo-Pacific

The Biden administration's high-level outgoing visits in South East Asia had so far focused on Singapore, Vietnam and the Philippines, with Secretary Austin visiting the three countries in July and Vice President Harris visiting the first two in August. Secretary of State Antony Blinken visited Indonesia and Malaysia from December 13-15. A visit to Thailand the next day was called off at the last minute as one of the reporters accompanying Secretary Blinken tested positive for Covid-19 in Malaysia.

The key point of his visit was the speech on the "Free and Open Indo-Pacific" at Universitas Indonesia, in Jakarta, on December 14, in which he spoke essentially about the commonalities between the Indo-Pacific visions of the US and ASEAN, and how the US intends to go about making it a reality⁵³. His speech contained five core elements. The first was the vision, and what free and open meant in real terms. It encompassed the ability of countries to choose their own path and partners; rules being reached transparently and applied fairly; goods, ideas and people flowing freely across land, cyberspace and the open seas. It meant the region remaining free from coercion and accessible to all. To achieve it, the US would support anti-corruption and transparency groups, investigative journalists and think tanks; seek partners in government; learn from the best practices of fellow democrats around the world (hence the Summit for Democracy); stand up to leaders who didn't respect the rights of others; defend an open, interoperable, secure and reliable internet; and work with allies and orders to defend the rules-based order that had been built over decades. He was careful to point out that this was not about a contest between the US and China; the Indo-Pacific was its own region. It was about upholding rights and agreements that had led to the most peaceful and prosperous period the world had ever experienced. It was about being concerned by Beijing's aggressive actions, claiming open seas as their own,

⁵³ A Free and Open Indo-Pacific, <https://www.state.gov/a-free-and-open-indo-pacific/>

distorting open markets through subsidies to state-run companies, denying exports or revoking deals for countries whose policies it did not agree with, and engaging in IUU fishing – the behaviour all wanted to change, and pushing back against such behaviour.

His second core element was forging stronger connections within and beyond the region, deepening treaty alliances, fostering greater cooperation among allies, finding ways to knit allies together with partners, and strengthening the partnership with a strong and independent ASEAN as well as with other countries in the region. The US would also work to connect relationships in the Indo-Pacific with its wider system of alliances and partnerships, including with Europe and NATO. This would enable assembly of the broadest and most effective coalition to tackle any challenge, seize any opportunity and work toward any goal.

The third element was promoting broad-based prosperity. The US had already provided over \$ 1 trillion in FDI to the Indo-Pacific and now heard the call for more. It was developing a comprehensive Indo-Pacific economic framework, encompassing trade and the digital economy, technology, resilient supply chains, decarbonisation and clean energy, infrastructure, worker standards and other areas of shared interest. US diplomats would identify opportunities that US firms were not able to find on their own and make it easier for them to bring their expertise and capital to new places and new sectors. He cited the example of this year's Indo-Pacific Business Forum jointly co-hosted with India, where nearly \$ 7 billion in new private sector projects were announced. The US would work with partners to shape the rules of the digital economy, promote fair and resilient trade, bring leaders together to resolve bottlenecks and build greater resiliency, and close the gap on infrastructure.

The fourth element was building a more resilient Indo-Pacific. The first step of this was tackling the pandemic, for which the US had already donated over 100 million vaccine doses to the Indo-Pacific. This would increase to over 1.2 billion doses by the end of next year. The Quad Vaccine Partnership would help. He cited India having committed to producing an additional 5 billion doses of the vaccine by end 2022. A global COVID Corps had been launched to support logistics and vaccine efforts in developing countries, including last mile delivery. The US would invest in public health. The other part of resilience covered in his speech was the climate crisis and clean energy. The US IDFC had, in December, announced financing of \$ 500 million to build a solar manufacturing facility in Tamil Nadu, which would have an annual capacity of 3.3GW, helping India reach its ambitious goal of 500 GW of renewable energy capacity by 2030.

His final element was bolstering Indo-Pacific security, during which he discussed two components. The civilian security cooperation component was intended to tackle challenges from violent extremism, illegal fishing and human trafficking. Conflated with this was the “integrated deterrence” strategy shaped by Defense Secretary Lloyd Austin, which weaved together all instruments of national power with those of allies and partners. The intent was reinforcing strengths to maintain peace. The US did not want conflict. President Biden had told President Xi last month that we share a profound responsibility to ensure that competition does not veer into conflict. The US took this responsibility seriously, because failure to do so would be catastrophic.

Identifying commonalities in shared visions during a public speech is easy. What will eventually matter is whether uniform standards are applied in its execution. Residents of the Indo-Pacific will have noted the US readiness to accept a government led by those it identified as terrorists in Afghanistan, and continuing to engage with their puppet masters in Pakistan, even as it seeks to isolate a nationalist regime in “Burma”. Such selectivity and double standards are not conducive to inspiring confidence.

While Secretary Blinken spoke about strengthening the US partnership with a strong and independent ASEAN, he failed to address the fact that ASEAN is neither strong nor truly independent. Moreover, the US relationship with some of ASEAN's members is troubled. An example is Cambodia, the current ASEAN chair, on which the US Bureau of Industry and Security, Department of Commerce, imposed an arms embargo on December 12, citing “a deepening Chinese military influence in Cambodia that undermines and threatens regional security”⁵⁴. SIPRI data indicates that the US is not a supplier of arms to Cambodia, nor is there any indicator that Cambodia had sought arms supplies. The rationale behind the embargo was thus somewhat dubious. Cambodian Prime Minister Hun Sen directed Cambodia's Armed Forces to shelve or destroy and US origin arms they hold, effectively mocking the US⁵⁵. The limitations of ASEAN unity were effectively brought out in the inability of its foreign ministers to come out with a joint communiqué in July 2012⁵⁶. Divisions

⁵⁴ Revised Controls for Cambodia Under the Export Administration Regulations, <https://www.bis.doc.gov/index.php/documents/regulations-docs/federal-register-notice/federal-register-2021/2887-86-fr-70015-12921-bis-revision-of-controls-for-cambodia-under-the-ear-0694-ai65-2021-26633/file>

⁵⁵ Kingdom not Affected by Arms Embargo, <https://www.phnompenhpost.com/national-politics/kingdom-not-affected-us-arms-embargo>

⁵⁶ China Reveals its Hand on ASEAN in Phnom Penh, <https://www.csis.org/analysis/china-reveals-its-hand-asean-phnom-penh>

continue to be highlighted in the fact that Indonesia and Malaysia are not members of ReCAAP, the Singapore based multi-national organisation dedicated to fighting piracy in the region. ASEAN's transparency itself is in doubt, with the Code of Conduct negotiations being conducted under a veil of secrecy, without the involvement of external stakeholders. So how effectively the US will be able to work with ASEAN to resolve regional issues is in doubt.



Maiden Flight Test of Indigenous Pralay Surface-to-Surface Missile by DRDO from APJ Abdul Kalam Island, December 22, 2021. Source: PIB

A critical gap is the Biden administrations economic pitch, more so as President Xi Jinping offered ASEAN \$ 1.5 billion in developmental assistance last month, along with the offer to purchase over \$ 150 billion in agricultural produce over the next five years. US offers, in contrast, remain small. Withdrawal from the TPP effectively removed US economic leverage over the region. The prospects of the US joining the CPTPP continue to be dim. While the region will watch out for the economic vision Secretary Blinken talked about, how effective this vision will be remains to be seen.

On bolstering security, Secretary Blinken effectively conflated lower grade challenges such as violent extremism, IUU fishing and human trafficking with the coercive challenge posed by China while speaking of “integrated deterrence”. The former are within the ability of South East Asian states to tackle, particularly if their capacities are enhanced. They also lie within national jurisdictions. The bigger concerns remains China on the high seas and in international waters, where contours of the integrated strategy and more important, the financing for it, are yet to become visible. Freedom of Navigation is not a strategy, nor is a long-term US presence likely to be sustainable without sharp enhancement in defence spending. NDAA 2022 does not signal such an increase.

In sum, it will take more than speeches, however optimistic they may sound, to convince ASEAN to accept US promises and vision. Regional leaders will watch and act in accordance with their own assessment of where their best interests lie.

The Second Atal Bihari Vajpayee Memorial Lecture

The Second Atal Bihari Vajpayee Memorial Lecture sponsored by the Ministry of External Affairs, titled “Australia, India and the Indo-Pacific: The Need for Strategic Imagination” was delivered by Dr Michael Fullilove, Executive Director of the Lowy Institute, on a virtual platform on December 24⁵⁷. The opening remarks by Dr. S. Jaishankar, the External Affairs Minister, spoke of the winds of change apparent in the Indo-Pacific and the need for diplomatic creativity in dealing with the multiple and complex transformations underway,

⁵⁷⁵⁷ Australia, India and the Indo-Pacific: The Need for Strategic Imagination, <https://www.lowyinstitute.org/publications/australia-india-and-indo-pacific-need-strategic-imagination>

resulting in great power competition and middle power activity, multipolarity and rebalancing, and with orthodox politics in sharper play⁵⁸.

The speaker focused his talk on the changing regional environment and how it had impacted Australia, as well as Australia-India relations, before offering suggestions for further enhancement of the bilateral relationship. He was caustic about the Trump approach, which had led to the security environment deteriorating sharply, and direct in attributing the deterioration to the change in China under President Xi Jinping. He conspicuously failed, however, to mention President Obama's economic interest driven vacillation and appeasement, which had resulted in China's grey zone coercion strategy succeeding beyond expectations, leading to a situation where China could continue exploring and expanding the limits of its assertion without undue risk. He was appreciative of the approach adopted by both Australia and India, who had stood up to China's coercion in their own ways.

He identified three important developments in Indo-Pacific security generated by fluctuations in US policy and the severity of China's behaviour. First was that regional powers were adopting a larger view of their own potential and increasing their freedom of movement. Second, important institutional developments had taken place in the Indo-Pacific, including the elevation of the Quad to the leader's level. Third was that bilateral relationships between countries, including between India and Australia, were being strengthened.

In an era during which neither China nor the US would be able to assert undisputed primacy over the region and a bipolar future beckoned, he believed decisions made by other Indo-Pacific powers, including Australia and India, would be very consequential and could well constitute the marginal difference. The challenge was for decision-makers in Delhi and Canberra to find practical and imaginative ideas to strengthen the bilateral relationship and thus contribute to the stability and prosperity of the Indo-Pacific. Among the suggestions he put forth in this regard were establishing a high-level strategic economic dialogue between the two countries, improving interoperability between their defence forces, cooperation on infrastructure financing and reinvigorating trilateral links the two had with Indonesia and Japan. He concluded by saying that polls in both countries revealed that trust between Australia and India had improved substantially. It was not for policy makers to match the foresight of their people.

⁵⁸ Opening Remarks by EAM, http://mea.gov.in/Speeches-Statements.htm?dtl/34724/Opening_Remarks_by_External_Affairs_Minister_at_the_Second_Atal_Bihari_Vajpayee_Memorial_Lecture

Although Australia describes itself as a “Three Ocean Power” (comprising the Pacific, the Indian and the Southern Ocean), its focus has historically been the Pacific. The Indian Ocean has begun gaining recognition as a vital maritime pathway, but Australia’s economic and military focus still remains the Pacific. The limited Australian presence in the Gulf region came to an end well before the US pullout from Afghanistan. The relationship with India has certainly grown by leaps and bounds, but is yet to make a significant impact in the Indian Ocean. The bonds imposed by AUKUS will limit how much can be done bilaterally together, particularly in the security domain.

Moreover, Australia’s continued excuses for Pakistan’s behaviour, including in the FATF, imposes its own limits. Australian analysts remain prescriptive, as for example in the speaker seeking a more ambitious Indian approach towards liberalisation, without first understanding whether this benefits India in the short or long term. This is thus a relationship with enormous scope, but it will only flower if decision-makers on both sides understand and accommodate the need for mutual benefit.



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