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Positioning Key Stakeholders in the Indo-Pacific and the Way Forward

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ABOUT US

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Indian Prime Minister Shri Narendra Modi and Japanese Prime Minister Mr. Shinzo Abe holding talks to deepen India-Japan Strategic Partnership in Japan on October 28, 2018. Source: Indian Express

The ASEAN-India Commemorative Summit 2018 to mark the 25th anniversary of ASEAN-India Dialogue Relations under the theme of "Shared Values, Common Destiny" was held on January 25-26, 2018 in New Delhi. Source: ASEAN Secretariat

The Opening Ceremony of the 20th Indian Ocean Rim Association (IORA) Leader's Summit in Jakarta, Indonesia on March 7, 2017. Source: IANS/PIB

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Positioning Key Stakeholders in the Indo-Pacific and the Way Forward

Gopika Shinghal

The Indo-Pacific has become the principal global theatre where currently the key powers of the world are engaged in re-defining their roles and relationships to promote their interests. It is an integrated theatre that combines the Indian Ocean and the Pacific Ocean, and the land masses that surround them. It is both a strategic as well as an economic domain comprising important sea-lines of communication (SLOCs) that connect the littorals of the two oceans. Indo-Pacific is the center stage where the shift of global power from the West to the East and the South is unfolding. China's rise is symptomatic of global power shifts, which has left the world order and global governance in a state of uncertainty. In this regard, many analysts consider that the idea of the 'Indo-Pacific' rose from a potential power transition in Asia and by the manifest desire of China to create a Sino-centric Asian order, creating concerns about the future of the rules-based liberal world order and international law.

Where does India stand?

India's perspective on the Indo-Pacific has taken clear shape in the last two years. India's official position on the 'Indo-Pacific' was laid out by Prime Minister Narendra Modi at the Shangri-La Dialogue on June 1, 2018. Today, India has not only a well-defined Indo-Pacific policy but a well-structured Indian Ocean Outreach Policy, a 'Neighbourhood First' and an 'Act East' policy. The Ministry of External Affairs has recently set up an Indo-Pacific Division in the foreign office which will further integrate the Association of Southeast Asian Nations (ASEAN), the Quad and the Indian Ocean Rim Association (IORA) to give thrust to Indo-Pacific centred policy-making.

However, the concept of engagement and cooperation with our 'natural extended neighbourhood' is not new to India. The policy's evolution can be traced back to former Prime Minister P.V. Narasimha Rao's vision to look beyond the shores of India and revive historical and cultural links with Southeast Asia and to convert them into economic and trade partnerships, all under the ambit of the 'Look East' policy in the early 1990s. The fact is that India cannot ignore a coastline of 7500 km and the reality that it is surrounded on three sides by oceans and seas. PM Modi's commitment to our neighbourhood and the Indo-Pacific is a reassertion of India's maritime positioning and power.



Just as the ASEAN straddles the Western Pacific, India occupies a central position in the Indian Ocean. 90% of India's trade by volume and 90% of its energy imports transit through these waters. The Indian Ocean region has over forty littoral states with over 40% of the world's population.¹ The world's important choke points including the Lombok Strait, the Sunda Strait, the Malacca Straits, the Strait of Hormuz, the Suez Canal, the Mozambique Channel, and the Bab el Mandeb are situated in the IOR. It is through the IOR that two-thirds of the world's oil shipments; one-third of the world's bulk cargo; and half of the world's container traffic transits.² Thus, more than ever before, the imperatives of regional peace, stability and security define the strategic importance of the Indian Ocean region. China's expansionism and aggressive inroads into the Indian Ocean through military bases, port leasing and predatory economics present an imminent strategic challenge to the world. These activities could endanger stability in a critical region which is vital for global trade flows.



Chinese naval presence in the eastern Indian Ocean. Source: The Diplomat

¹ External Affairs Minister's address at International Conference on "India and Indian Ocean: Renewing the Maritime Trade and Civilizational Linkages" in Bhubaneswar on March 20, 2015. Access at: https://mea.gov.in/Speeches-Statements.htm?dtl/24994

² About IORA. Access at: https://www.iora.int/en/about/about-iora



Given the economic potential of the region, India is investing financial, technological and human capital to develop the maritime economy and has announced initiatives and action-plans to promote the 'Blue Economy' or the 'Ocean Economy'. Bringing out the importance and centrality of the 'Blue Economy' to India, Prime Minister Modi has said that the blue chakra or wheel in India's national flag represents the potential of the 'Blue Revolution' or 'Ocean Economy'. He has christened India's vision for the Indian Ocean Region as 'SAGAR' which means ocean and stands for 'Security and Growth for All in the Region'. Simultaneously, India also believes that the IORA has an important role to play in this context.

While advocating a 'free and open' Indo-Pacific, India also aims to establish 'rule of law' in the region as opposed to the Chinese attempt of setting the global rules in accordance with its own value system. The 'Maritime Silk Road' of China's Belt and Road Initiative passes along the Indian Ocean. With an existing presence in Chittagong port (Bangladesh), Hambantota port (Sri Lanka), Port Sudan (Sudan), Maldives, Seychelles and Somalia, and the control of Gwadar port (Pakistan) establishes the potential for Chinese dominance in the Indian Ocean. The Chinese maritime investments in the Indian Ocean's maritime periphery suggest intentions of dual-use, furthering the objectives of both infrastructural advancements and military operations. China aims to leverage its political influence, economic might and military capacity to coerce states from Southeast Asia to East Africa to align their future with Chinese interests.



Naval ships of India, the US and Japan participate in the "Malabar Military Exercise" conducted off the coast of Guam on June 16, 2018. Source: The Diplomat



As of today, India is a part of trilateral security dialogues, the Quad and also soft frameworks like the IORA. For India, the Indo-Pacific is a geopolitical geographic space, comprising key stakeholders. While our official position clearly spells out that the Indian Indo-Pacific strategy is not aimed at any nation and is 'inclusive' of all, it is an uncontested reality that China remains a non-status quo power. While India remains an independent decision making actor, going forward it will converge with partners on like-minded issues. In this regard, it is important to consider that further evolution of the Quad may be in proportion to the aggressiveness or conciliatory attitude of Beijing in addressing vital interests of the other powers in the region.

Other Key Stakeholders in the region

For the US, the Indo-Pacific is a geopolitical strategic construct that allows them to develop a comprehensive framework for policy-making and working together with allies and partners in the region. President Trump has categorically replaced the words 'Asia-Pacific' with the 'Indo-Pacific' in the US official statements and military structures. The Asia Reassurance Initiative Bill signed on December 31, 2018 is a recent addition under the renamed rubric of the Indo-Pacific strategy. Chinese 'influence operations' in the region and efforts to establish a G-2 or alternately become the dominant power in the region has led the US to re-focus on the Indo-Pacific' as it wishes to contain the unprecedented rise of China.



Indian Prime Minister Shri Narendra Modi and Japanese Prime Minister Mr. Shinzo Abe holding talks to deepen India-Japan Strategic Partnership in Japan on October 28, 2018. Source: Indian Express



Japan has long advocated the concept of the Indo-Pacific. Japanese Prime Minister Shinzo Abe in his 2007 'Confluence of the Two Seas' speech to the Indian Parliament argued for a regional order based on values of democracy, human rights, and undisrupted access to the region's maritime commons and floated the idea of four-country talks with Japan, the United States, Australia, and India. Japan has officially proposed its Indo-Pacific policy in April 2017 as the "Free and Open Indo-Pacific Strategy" (FOIP). Japan's basic threats rise from north-east Asia (DPRK and China). Via engagement in the Indo-Pacific, it aims to balance these threats and cooperate with like-minded partners and allies.

The Australian Foreign Policy White Paper released in 2017 lays down the Australian vision and insight on the Indo-Pacific. Australia is torn between being an American ally and its economic dependence on China. However, since they have helped conceptualize the Indo-Pacific construct, they aim at working within the established Indo-Pacific framework. Unfortunately, due to a lack of consensus on foreign policy and the Indo-Pacific, Australia's Indo-Pacific strategy is likely to be unstable and hostage to the vagaries of electoral politics.

Indonesia, an archipelagic nation connecting the Indian and the Pacific oceans is seated at the 'global maritime fulcrum' and aims to focus on maintaining stability, security and welfare in regions surrounding the Pacific and Indian oceans, which it considers a 'single geostrategic theatre'.³ It aims to maintain regional balance among key stakeholders and emphasises upon cooperation in the soft dimensions, including blue economy and maritime infrastructure. Convergence between India and Indonesia on the Indo-Pacific, and Jakarta's idea of utilising the mechanism of East Asia Summit (EAS) to address the strategic issues in the region is relevant in this context. Singapore is a key stakeholder in the region. On security matters, Singapore is firmly in the US camp but its economy is dependent on Chinese trade and this leaves it vulnerable to Chinese pressure.

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³ Shared Vision of India-Indonesia Maritime Cooperation in the Indian Ocean. Access at: http://pib.nic.in/newsite/PrintRelease.aspx?relid=179630





The ASEAN-India Commemorative Summit 2018 to mark the 25th anniversary of ASEAN-India Dialogue Relations under the theme of "Shared Values, Common Destiny" was held on January 25-26, 2018 in New Delhi. Source: ASEAN Secretariat

ASEAN is a ten-country organization and is strategically located in the Indo-Pacific. It is the central focal point that links the Indian and the Pacific Oceans. The geographic centrality of the ASEAN in the Indo-Pacific has geo-strategic implications, concerning China and the US led alliance system. For China, ASEAN is an integral part of the SLOCs, from where trade flows occur. The SLOCs are important for Chinese power projection and to ensure the credibility of the future development of the MSR to Europe and Africa. Also, China has a close link with continental South East Asia and as part of a geo-gravitational strategy, it is extending its sphere of influence linking the continental domain to critical SLOCs. In this regard, it is crucial for ASEAN to remain balanced and not mould the Indo-Pacific construct in a manner which is dominated by China as is the case at the present juncture.

As far as ASEAN is concerned, it remains a weak link as member-states are not only overwhelmingly economically dependent on China but also lack unity and the deterrent capacity to counter the Chinese challenge. The contours of ASEAN thinking about the Indo-Pacific remain blurred. Any regional security architecture in the Indo-Pacific requires credible stakeholders and ASEAN has not recovered from the loss of unity and cohesion, under China's pressure since 2012. India's push for ASEAN-centrality is a subtle attempt to allay ASEAN concerns and help shape a more cohesive ASEAN which appears fragmented at this point of time.



The way forward: the Indian Approach

The Indo-Pacific strategy of the US provides a well-articulated architecture for regional economic engagement. Their strategy is designed to confront strategic challenges to American power by deploying the full spectrum of America's enormous leverages to gain geo-political advantage. Simultaneously, China is rapidly providing its 'economic growth model' as an inspiration to the developing countries in the region and at the same time, offering Chinese investment as expedient means to attain financial resources and capital. IOR countries are increasingly interested in the Chinese growth model and are looking forward to accessing Chinese markets, technology, and capital to support their own developmental projects. It is apparent that in order to achieve its aim of becoming a global economic powerhouse, China is leveraging geo-economic tools to achieve geostrategic objectives. In this regard, the Indo-Pacific is caught up between the two conflicting world orders and smaller littoral states are losing their strategic decision-making capabilities.



Indian Prime Minister Shri Narendra Modi delivering the Keynote Address at the Shangri-La Dialogue on June 1, 2018. Source: Japan Times

According to India, the Indo-Pacific is a single strategic geography that will shape the future of the international order. It "stands for a free, open, inclusive



region, which embraces us all in a common pursuit of progress and prosperity. It includes all nations in this geography as also others beyond who have a stake in it and India's own engagement in the Indo-Pacific Region – from the shores of Africa to that of the Americas - will be inclusive."4 India promotes the concept of 'strategic independence' and wants to ensure a peaceful, prosperous and stable region in which all states which are stakeholders in the Indo-Pacific are governed by the same rules. India believes that the Indo-Pacific should be a region comprising law-abiding nations who are committed to seeking solutions to developmental challenges rather than being caught up in 'great power rivalries'. 'Inclusivity' is projected as an integral component of this vision. At the same time, India wants every nation to be mindful of each other's interests, concerns and aspirations and conduct itself in a dignified manner. India supports freedom of navigation and over-flight, and unimpeded commerce, based on the principles of international law, particularly UNCLOS that serves as a constitution for the oceans. It also encourages the resolution of territorial and maritime disputes through peaceful means in accordance with these universally recognized principles.

To protect and connect the region, maritime cooperation is the most viable option. But going ahead, the Indo-Pacific countries will need to undertake collective efforts to address more than just the security aspects of the framework. While there is no doubt that security remains a vital component of the Indo-Pacific framework, for India the 'Indo-Pacific' is a holistic concept that extends to cooperation and engagement in economic, developmental, connectivity and cultural domains. Greater maritime cooperation and connectivity is imperative to form an integrated market economy and strengthen the security of the region.

Through SAGAR, India assures that it would do everything to safeguard its mainland and islands and defend its interests. At the same time, it will also work to ensure a safe, secure and stable IOR. These interests include the safety and security of Indian shipping, fishing, seaborne trade, energy supply, assets and resources in the maritime domain and Indian citizens who are working overseas. Given the seamless connectivity in the maritime domain, instabilities anywhere would impact on India's maritime security too. Thus, the stability of the IOR is of paramount importance to India. India seeks to deepen economic

⁴ Prime Minister's Keynote Address at the Shangri-La Dialogue on June 1, 2018. Access at: https://www.mea.gov.in/Speeches-

 $[\]underline{Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018}$



and security cooperation with its maritime neighbours and assist in building their maritime security capabilities. For this, India would cooperate on the exchange of information, coastal surveillance, building of infrastructure and strengthening its capabilities. India believes that it is only through collective, collaborative and cooperative approaches that peace can be advanced in the region. In this context, an association like IONS (Indian Ocean Naval Symposium), an Indian initiative established in 2008 and which brings together 35 navies (or coast- guards) in the region; and the India-Sri Lanka-Maldives Trilateral established in 2013 are important. Such mechanisms strengthen efforts to counter non-State actors engaged in piracy, terrorism and other crimes and also, natural disasters.

India seeks an integrated approach and cooperative future, which will result in sustainable development for all in the region. A regional linkage between maritime cooperation, maritime security and economic development needs to be established. The growing acceptance of the concept of the Indo-Pacific, underlines the importance of IOR in global affairs. Thus, the Indo-Pacific can no longer afford to look past the IORA and should be inclusive of it. Going forward, the IORA can provide a credible platform for cooperation and engagement in the region. As the world advances to engage in the Indo-Pacific framework, we need to have a more comprehensive approach towards the region and therefore, going forward countries need to consider the Indian approach toward the region.

India's support for collaborative governance through IORA

In consonance with India's vision of 'SAGAR' and the ongoing geopolitical contestation in the IOR, the IORA⁵ can be a platform for India to launch its endeavours in collaborative governance to form a comprehensive architecture in the region. The IORA is also extremely relevant to India's 'Neighbourhood First' and 'Act East Policy'. The emergence of the IORA is important, given the region's economic dynamism, huge markets and rich natural resources.

⁵ Note- The IORA was founded in 1997 and currently is a twenty-two member organization

with seven dialogue partners. The current member states are Australia, Bangladesh, the Comoros, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Seychelles, Singapore, Somalia, South Africa, Sri Lanka, Maldives, Tanzania, Thailand, the United Arab Emirates, and Yemen. The dialogue partners are China, Egypt, France, Germany, Japan, the United Kingdom and the United States.



The Opening Ceremony of the 20th Indian Ocean Rim Association (IORA) Leader's Summit in Jakarta, Indonesia on March 7, 2017. Source: IANS/PIB

Although united by a common ocean, the IOR is extremely striking in terms of its diversity, dynamism and interdependence. The vastness of this ocean has facilitated cultural, linguistic, religious, racial and ethnic divergences to the point that it is arguably difficult to create a consensus on common values to guide the IOR. The growing geo-strategic and geo-economic salience of the Indian Ocean makes it evidently clear that there should be greater regional collaboration among the stakeholders to effectively address and confront nontraditional security threats such as maritime terrorism and piracy; transnational crimes; and environmental & natural disasters. The region is dominated by traditional and new geopolitical challenges and divisions: from power shifts and historic animosities to territorial disputes. The escalation of these issues and the re-focus of the world on this region in the recent years has heightened the reliance on hard power. However, in a region also dominated by ideas, values, cultures and relationships, soft-power networks need to be explored for a holistic regional development. In order to foster commonality and develop a united identity in the region, the eight baskets of cooperation of IORA are a great starting point.

- 1. Maritime safety and Security
- 2. Trade and Investment facilitation
- 3. Fisheries management
- 4. Disaster risk management.
- 5. Tourism and Cultural Exchange
- 6. Academics, Science and Technology
- 7. Blue economy
- 8. Women's economic empowerment



The blue economy is based on the idea of using locally available resources and employing renewable inputs to create sustainable outputs. The IOR can harness the potential to reduce environmental risks and mitigate ecological challenges. The Indian Ocean is abundant in resources, particularly in areas like fisheries, aquaculture, ocean energy, sea-bed mining, offshore hydrocarbons, marine tourism, seaports and shipping activities. Amongst these, fisheries is one of the most commercially viable industries and helps sustain the livelihood of millions of people in this region. According to a report by the UN Food and Agricultural Organization (FAO), while some world oceans are nearing their fisheries limit, the Indian Ocean's resources have the potential to sustain increased production. For the same, it is advisable that Research and Development collaboration by the IOR countries in the fields of Ocean Energy, Marine Biology and Biotechnology be encouraged and undertaken.

There are many opportunities for trade and investment expansion within the IORA and there exist many complementarities that India can tap with IORA. To turn the region into pro-business and investor friendly, better trade facilitation and transit channels need to be built. Manufacturing- both for IORA nations and for collaborative projects can be reinforced by India's 'Make in India' initiative. The shipbuilding industry can benefit a lot under this initiative. A strong push in India's commercial shipbuilding and ship repair sectors, complementing the Sagarmala Project of port development have the potential to drive economic transformation in the region. The key priority in maritime cooperation is to develop a safe, sustainable and efficient multi-modal transport system in the region. These projects will certainly strengthen the Indo-Pacific connectivity and augment trade in the region and help it emerge as a globally competitive economic bloc.⁷

The re-emergence of non-traditional threats such as piracy issues, the rise of narco-terrorism, human-trafficking, terrorism, illegal migration, IUU fishing and the growing importance to secure the regional ecosystem, mandates that cooperative and collective arrangements between IOR countries should be established. Further, the region is compounded by natural disasters, oil spills and effects of climate change, to which our region is highly prone. A coordinated approach in combating these issues is mandatory and the IORA can be an ideal platform to develop a synchronised strategy for a way forward.

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⁶ Maini Hamant and Lipi Budhraja, "Ocean based Blue Economy: An Insight into the SAGAR as the Last Growth Frontier", Blog on Niti Aayog. Access at: http://www.niti.gov.in/content/ocean-based-blue-economy-insight-sagar-last-growth-frontier

⁷ Ibid



Challenging though these problems are, their transnational nature and their relative insignificance in the member states' individual agendas mean that the IORA can develop a consensus to address them. Increasingly, there is a need to tap people-to-people links and digital connectivity to amplify public outreach in science, sport, cultural and educational exchange not only to promote collaboration, but also in bringing local voices to debates on matters of regional significance.

Conclusion

As oceans are becoming new centres of economic activity, accounting for significant trade and commerce, they have the potential to create and sustain livelihoods and spur worldwide economic growth. Thus, going forward the Indo-Pacific needs a sustainable and inclusive framework for collaboration and partnerships. Countries in the region need to not just manage their own security dilemmas but should also be able to address those of the region as a whole. They need to coordinate effectively between the two sets of competing powers and should henceforth, learn to opt for sustainable solutions for regional development.

With the Chinese challenge taking centre-stage, India has to coordinate better with the US to contain aggressive Chinese actions in the region. But also more importantly, India has to push its own agenda of 'inclusivity' for all, taking into confidence partners from Oman to the Philippines to safeguard its interests and provide stability to all other littoral states in the region. India's own Indian Ocean focus is aimed at a holistic regional development from the perspective of promoting security and economic growth. With the aim of establishing itself as the 'net security provider in the IOR' India is focussed on addressing traditional and non-traditional security threats. India's foreign assistance in East Africa and its immediate neighbourhood is aimed at promoting economic development and regional stability in Asia.

At the same time, for the foreseeable future the US should reaffirm its commitment by ensuring a strong military and regional presence in Asia. Undoubtedly, ARIA is a move in the right direction, but more should be done to strengthen and broaden diplomatic, economic and security ties amongst countries of the region. India and the US should wholeheartedly cooperate not only to strengthen their strategic partnership but also to safeguard the core tenets of a rule-based and liberal international order. Japan is seeking to become a proactive contributor to regional peace and security. Through its Overseas Development Assistance (ODA) program, Japan is a major source of development funding and seeks to focus more on building quality



infrastructure in the region to boost regional trade, investment and development. Japan remains a force for stability in the Indo-Pacific, at a time when the region faces various security challenges. However, Japan has to forge a new domestic consensus and overcome its hesitations in order to play an active security role in the Indo-Pacific. As far as Australia is concerned, it should be open to new opportunities to advance its regional and national interests. It requires a greater coordination framework and a detailed policy blueprint to build a strong foundation for its regional aspirations. Australia needs to firm up its resolve and make an unequivocal commitment to upholding the liberal rules based order. Australia needs a consensus based foreign policy that prioritizes security over short term economic imperatives and should be firm in its resolve to stand-up to Chinese pressure and economic blackmail.

As strategic currents in the Indo-Pacific shift south and west from North Asia to India and Indonesia, the region's strategic centre of gravity remains in the ASEAN. For this reason an ASEAN centric regional security architecture must be the focal point of the Indo-Pacific. For the Indo-Pacific to be an ASEAN-centred geopolitical construct, it will not only have to play a greater role in understanding and shaping the security architecture for cooperation in the region, but also, be able to address the regional contestations without bias and pressure. The EAS has the potential of being the leader's led platform that could discuss and mediate security issues in the wider Indo-Pacific Region as well. One concern of course is whether ASEAN centrality has weakened in the face of Chinese pressure to the point where it can no longer function at the centre of the security architecture in the region.

In this regard, Jakarta's vision is also much like India's, that is, to promote an alternative regional order that can accommodate the interests of all stakeholders. Both India and Indonesia support regional forums like the IORA. The IORA is strategically aligned to the Indonesian President Jokowi's ninepoint leadership agenda. While the IORA is currently focussed on soft issues and non-traditional security issues there is no reason why it cannot evolve into a regional security framework for the Indian Ocean region.

The institutional architecture of the Indo-Pacific will shape the future of the international order and it is for the benefit of the world that it follows the Indian approach of holistic development to preserve a rules-based order in the region. Whatever the costs, New Delhi has geared up in its struggle to ensure an open, transparent and inclusive Indo-Pacific region and the onus now, is on other maritime democracies and littoral countries of the region to ensure the same.





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