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Advancing India's Rise as a Leading Power

ASIA – PACIFIC REGIONAL ORDER: STRATEGIC FLUX TO MUTUAL RESTRAINT

REMARKS AT PRIMAKOV READING: RUSSIA

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INTRODUCTION

- Since 2007-08, the relatively stable post-1991 (Cold War) global order has largely dissipated.
- Asia lies at the heart of this ongoing power flux, with growing strategic competition from the Eurasian heartland to the Indo-Pacific Rimland.
- Scenario is becoming increasingly unstable – NOT yet critical.
- The complexity of challenge lies in managing overlapping and sometimes conflicting major and emerging power interests.

GLOBAL VISION

- **The liberal democratic order is under stress internally (Europe, US) and is being challenged externally (Asia).**
- **Post GF Collapse there is economic duality: globalised sectors (slow growth), domestically driven economy (variable growth). India is well placed. China has not undertaken most of reforms of 3rd Plenum. India only marginally better.**
- **Secular economic decline and a backlash against globalization have changed the public and political discourse in advanced Western nations towards nativism, isolationism, protectionism and economic populism (US election, Brexit, trends in EU).**
- **Mediating the impact of globalization will remain politically difficult, worldwide, over the next decade.** ***Domestic priorities will predominate. For global growth, pragmatism must "Trump" populism.***

GLOBAL VISION

- **Progressive retrenchment of US engagement has led to a perception of weakness in relation to its adversaries, even though the US remains the pre-eminent power across domains with a resilient economy ("perception is reality").**
- **China in its quest for revitalization is attempting to seize geo-political opportunities to impose a *neo Asian order, while simultaneously* hardwiring its periphery to shift economic flows (OBOR).**
- **From its current trend of unilateral assertions and selectively flaunting international law, China is likely to progress toward hard power projection for both strategic salience and economic growth.**
- **The EU is no longer playing a significant role in global geopolitics and security, least of all in Asia where its interests remain mainly commercial.**
- **Global institutional stability will resume only with a return to geo-political realism. This will mainly be a function of the political transition in the US and China's attempted muscle flexing.**

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ASIAN POWER PLAY

EMERGING EURASIAN BLOC

CONFLUENCE OF MARITIME DEMOCRACIES

SHIFTING ASIA – PACIFIC SCENARIO: GEO-ECONOMICS TRUMPS GEOPOLITICS IN 90S

- 90s Golden era of Chinese economic growth – MNC's willing to do whatever it took to enter the China Market.
- Absence of efforts at power balancing, containing or hedging against China's rise.
- Cross border production networks benefitted East Asian countries but made them less resilient to Chinese pressure.
- China's support to Southeast Asian countries in 1997 made China a major player in Asia. FDI into China came from countries most affected by China's Rise.
- Cumulative effects of these developments generated positive geopolitical consequences.

ASIA – PACIFIC: GEOPOLITICS RETURN TO 21ST CENTURY

- Since 2007-08, Asia has emerged at the heart of ongoing power flux. Emerging real center of gravity , and therefore global power flux is Indo-Pacific Rimland and not struggling Eurasian heartland.
- The challenge of managing overlapping and sometimes conflicting major and emerging power interests is becoming more complex
- There is a resurgence of territorial disputes in the South/East China Sea and unresolved boundary issues.
- Exacerbated by China's transition from a softer approach towards regional territorial disputes to a muscular and assertive policy, driven by nationalistic assertions.

ASIA – PACIFIC: GEOPOLITICS RETURN TO 21ST CENTURY

- China is testing the limits of American strategic presence in Asia, pressing for a preemptive US withdrawal to accommodate its dominance.
- Eroding support for the US through economic inducements as well as coercion, creating disarray in ASEAN and ensuring that ASEAN institutions like EAS remain ineffective.
- Concrete signals indicate a destabilizing turning point in the Asian power game in which it is becoming harder for the US to portray as guarantor of regional security
- Cross Straits tensions and China's increasing dependence on energy imports is driving the Chinese naval buildup and maritime posture in Southeast Asia.

ASIA – PACIFIC REGIONAL POWER PLAY

- US – China competitive dynamics for Asian dominance lie at the heart of unstable security environment.
- Scenario exacerbated by creeping maritime claims and tensions in SCS and ECS; including their inclusion in China's core areas of interest, besides Taiwan, Tibet and Xinjiang.
- ASEAN centric Regional Security Architecture has been stymied by the US – China impasse resulting in all but the collapse of ASEAN cohesion.
- Consensus based decision making in the ASEAN centric security institutions has failed in dealing with hard security issues.
- Regional States are now engaged in strengthening bilateral security frameworks and with major powers – game of hedging and rebalancing is at full play.

ASIA – PACIFIC REGIONAL POWER PLAY

- China looks upon the current scenario of geopolitical flux; an opportunity to realize its revitalization dream and impose a Sino centric Asian order.
- Apart of geo political undercurrent other factors impacting regional security are;
  - Forces of extremism and terrorism are bouncing back with the rise of radical forces.
  - The expanding strategic gap and aggressive behavior is posing multiple long term security challenges.
  - The strategic collusion between China and Pakistan and China and the DPRK is exacerbating nuclear threat.
  - The US rebalance to Asia, a revitalized Japan and the steady rise of India could be stabilizing factors in the future.

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RUSSIA'S EASTERN PIVOT

- Veering towards China, to the exclusion of other Asian powers, big or small. The comfort of this convergence has exacerbated regional tensions and provided room for China's expanding geo-political and geo-economic dominance, from Eurasia to the Asia Pacific.
- Glimpses of this on display during the BRICS Summit. Russia - China collusion on terror - convergence on ISIS, not on groups inimical to India or South Asia.
- While there are signs of stalling of deepening of economic cooperation, there is intensification of Russia-China diplomatic, defense and military-to-military ties.
- Relations with India, which were given a reviving boost at the recent bilateral summit, remain Russia's only other Asian equity, albeit a stake that is increasingly transactional.

TRUMP EFFECT

- The key question: will the US abandon the liberal international order it has created and led? We are in unchartered waters.
- If the Trump Administration gives up on US alliances (Japan) or strategic partnerships (India) in Asia, this will impact maintaining an equitable balance of power in Asia.
- Anti-trade sentiment may result in protectionist measures, which will depress world economic growth further.
- TPP, cornerstone of Obama's rebalance strategy binding the US and Asia together, is effectively dead. This will undermine US influence in Asia.
- increased burdens for India and Japan which neither can meet alone. Both will need to build capacity and reinforce strategic cooperation.
- China may gain more room to flex its economic and military muscle and assert dominance in Asia, including RCEP ownership.
- Improvement in US-Russia relations beneficial both globally and regionally. An cascading effect will be improvement in Russia – Japan relations

SINEWS OF BIG POWER RELATIONS: BUILDING TRUST AND COOPERATION

- Shift from strategic distrust to strategic reassurance. Build a new model of big power relations, to maintain balance of power that prevents single power domination of the region.
- Demonstrate strategic restraint; eventually moving toward the strategy of Mutually Assured Restraint (MAR);
  - Adopt measures that allow each side to take steps necessary for self-defense, without extending them to the point they become threatening.
  - Recognize each other's legitimate interests in the region.
  - Develop mutually reinforcing economic partnerships. TPP and RCEP need not be confrontational.

MAINTENANCE OF EQUITABLE RELATIONS

- Lay down markers that infringe each other's interests and causes regional instability. Focus should be on participation in multilateral institutions and interactions with emerging powers and refurbishing of relations that help shape regional multipolarity.
- China has to make strategic choice - either seek regional hegemony that will invariably result in a potentially violent power rivalry or work with the US and emerging powers to prevent unwanted rivalry and escalation.
- Importantly whereas Chinese economy may eventually overtake that of the US; larger question is will it be able to replace the existing multilateral institutions. Imperative closer coordination of economic policies, and rationalizing differences.
- While China is rising, Japan, Korea and India too are also on the rise and are unlikely to accept a Chinese-dominated regional order. Motivating them to pursue balancing or hedging strategies.

MAINTENANCE OF EQUITABLE RELATION

- China should pre-empt balancing motives of regional actors by pursuing policies of strategic restraint. Beijing should work with the emerging regional powers and the US to construct regional order based on norms and rules just as China benefited in 90s.
- The existing Asian architecture cannot be China centric or about its containment. It must be based on stability in Asia – Pacific and more importantly preventing nuclear proliferation.
- Message for US too is that it needs to recalibrates its regional policies under Trump administration to build requisite trust and confidence.
- Whereas Beijing may be averse to US led rules and norms its interests will be best served not by challenging the existing rule-based regional order but thru collaboratively rewriting the rules, in a win – win situation.

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THANK YOU