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Indo-Pacific strategies, perceptions and partnerships

The view from seven countries

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Summary

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- China’s economic, political and military expansion into the Indo-Pacific is meeting growing resistance from a range of countries including the US, India, Japan and Australia. The region is now a significant geopolitical strategic focal point.
 - A wide range of countries are actively adapting their strategic outlooks and formulating specific policies for the Indo-Pacific, sometimes without fully understanding how these may be perceived by their partners. Understanding convergences and divergences in perception is important for making partnerships more effective. It allows countries to cooperate, collaborate and coordinate where there are shared objectives while mitigating or managing differences.
 - The extensive field research presented in this paper was conducted in seven countries – the US, the UK, France, India, Tonga, Japan and China – before the political and economic effects of COVID-19 were widely felt. At that time, in six of the countries (not including China), there were domestic divisions, uncertainty and hedging regarding how to engage – or not – with China. Generally, in terms of domestic divisions, political and economic communities favoured engagement, while defence, security and intelligence communities were more cautious. There was also a high degree of domestic uncertainty given major factors such as Brexit and elections. This tended to result in hedging.
 - Once the impacts of COVID-19 and the subsequent global economic downturn were felt, and in light of China’s continued expansionism, domestic divisions in many countries began to diminish. Those concerned about China gained traction and a wider willingness to push back against China emerged.
 - This shift has prompted a greater drive for a new round of international partnerships beyond China’s orbit, from economic alliances such as the India–Japan–Australia supply-chain resilience initiative to a reinvigorated Quadrilateral Security Dialogue (Quad).
 - One potential partnership framework that has the flexibility to incorporate a range of perspectives, while being effective enough to shape a more secure future, is an Indo-Pacific Charter, modelled on the Atlantic Charter of 1941.

01

Introduction

As the Indo-Pacific becomes more strategically and economically important, countries around the world are developing new policies to strengthen their reach in the region, while countries in the region try to manage this renewed interest.

The growing strategic importance of the Indo-Pacific

Major strategic shifts have occurred recently in the area within and around the Indian and Pacific Oceans, a zone broadly referred to as the Indo-Pacific. These shifts are largely the result of China's economic and military expansion.¹ Examples of such expansion are China's illegal seizure and militarization of contested islands in the South China Sea;² its rapid military build-up and modernization programme,³ including opening a base in Djibouti; Beijing's increasingly direct calls for 'reunification' with Taiwan, including large-scale military exercises overtly designed to train for an invasion;⁴ Chinese rapprochement with countries across the region, including Nepal and Sri Lanka;⁵ and an increase in incursions by Chinese troops into India along the border in the Himalayas.⁶ In places, Beijing's expansion has overlapped with its region-wide projects, such as the Belt and Road Initiative (BRI), with strategic implications.

¹ US Department of Defense (2019), *Indo-Pacific Strategy Report: Preparedness, Partnerships and Promoting a Networked Region*, <https://media.defense.gov/2019/Jul/01/2002152311/-1/-1/1/DEPARTMENT-OF-DEFENSE-INDO-PACIFIC-STRATEGY-REPORT-2019.PDF>.

² Permanent Court of Arbitration (2016), 'PCA Case N° 2013–19, The South China Sea Arbitration Award of 12 July 2016', <https://docs.pca-cpa.org/2016/07/PH-CN-20160712-Award.pdf>.

³ Office of the Secretary of Defense (2020), *Military and Security Developments Involving the People's Republic of China 2020: Annual Report to Congress*, <https://media.defense.gov/2020/Sep/01/2002488689/-1/-1/1/2020-DOD-CHINA-MILITARY-POWER-REPORT-FINAL.PDF>.

⁴ Xuanzun, L. (2020), 'PLA carriers crucial in reunification-by-force Taiwan operation', *Global Times*, 11 September 2020, <https://www.globaltimes.cn/content/1200602.shtml>.

⁵ Brookings Institution (2020), 'Global China: Assessing China's Growing Regional Influence and Strategy', webinar, https://www.brookings.edu/wp-content/uploads/2020/08/fp_20200729_global_china_transcript.pdf.

⁶ Chansoria, M. (2020), *India-China Unsettled Boundary and Territorial Dispute: Institutionalized Border Mechanisms Since 39 Years, Sans Resolution*, Policy Brief, Tokyo: Japan Institute of International Affairs, https://www.jiia-jic.jp/en/policybrief/pdf/PolicyBrief_Chansoria_20200731.pdf.

Countries and their partners affected by these strategic shifts are increasingly resisting the expansion of Beijing's comprehensive national power.⁷ Such resistance began before COVID-19 emerged but has accelerated subsequently. As a result, the Indo-Pacific has become the dominant global strategic focal point. At its most basic, the region is where China's expansion is coming up against growing economic, political and military resistance from the US, India, Japan, Australia and others. However, those countries' resistance is not uniform, despite growing efforts to create and reinforce alliances and partnerships. This research paper aims to understand the dynamics behind those efforts.

The paper first outlines the importance of understanding differing national strategic perceptions, before describing the reasons for choosing the six countries examined in addition to China, the methodology, and cross-cutting themes based on the research.

Six in-depth country reports follow, presented in the chronological order in which the field research was completed: the US, the UK, France, India, Tonga and Japan. Each country report begins with an overview of the state of that country's Indo-Pacific policy development, followed by a summary of the in-country field research. Each country section ends with an analysis of findings. There is also a standalone box summarizing the findings of the field research in China.

The paper concludes with a summary of strategic changes in the region since the field research ended, including the cascading effects of COVID-19, and how the themes identified in the introduction seem to be evolving. It then makes recommendations on how to enhance effective and sustainable Indo-Pacific partnerships, in light of the perceptions uncovered in the field research and the current strategic environment.

The importance of perception

One of the impediments to strengthening partnerships is that the strategic community⁸ in a given country sometimes lacks a nuanced understanding of the strategic perceptions of other nations involved, even close partners. Understanding convergences and divergences in perception is important for making partnerships more effective. It allows countries to cooperate, collaborate and coordinate where there are convergences while mitigating or managing differences. This research paper studies perceptions in six countries in the region, with a view to identifying possible pathways towards deeper, more effective partnerships.

⁷ Comprehensive national power is a metric based on a range of inputs – such as military and economic power and access to resources – that Chinese strategists commonly use to rank the relative power of nations. Paskal, C. (2020), 'Protection from China's Comprehensive National Power Requires Comprehensive National Defence', Kalinga Institute of Indo-Pacific Studies – Scholars' Point, 2 September 2020, <http://www.kiips.in/research/protection-from-chinas-comprehensive-national-power-requires-comprehensive-national-defence>.

⁸ Strategic community here includes, but is not limited to, those in defence, intelligence, foreign affairs and economic policy.

The six countries

The six countries were chosen based on their current or potential future role in the Indo-Pacific. They vary in size, presence and depth of engagement in the region so as to better examine levels of disparity among potential partners.

The US

At present, the US is the dominant military power in the region and is involved with much of the defence architecture in other key countries, such as Japan and Australia. It is also a driving force behind the Quadrilateral Security Dialogue (Quad), a strengthening partnership between the US, India, Japan and Australia.⁹ While the Quad currently has a largely strategic focus, it may expand both in terms of members and scope. Already the four members have announced their intention to work together on new technologies, climate change, and manufacturing and distributing COVID-19 vaccines to countries in the region, including those in Oceania.

The UK

The formulation of the UK's post-Brexit foreign policy is underway. Regardless of the outcome, the UK has long-standing and potentially extensive reach in the Indo-Pacific. It is a permanent member of the United Nations Security Council, a member of the Five Eyes intelligence-sharing network (along with the US, Australia, Canada and New Zealand), is a G7 country, a core node of the Commonwealth, and a global centre for finance, banking and insurance. It is included in this research to see whether the UK perceives itself as having a strong and/or growing role in the Indo-Pacific – and whether others perceive this to be the case.

France

Of all the European Union countries, France is by far the most present in the Indo-Pacific in terms of politics, defence and geography. It has the second-largest exclusive economic zone in the world (after the US), and more than 90 per cent of that is linked to French territories in the Indian and Pacific Oceans. It also has several thousand military personnel, 1.6 million French citizens and major defence, energy and infrastructure sector interests in the region.¹⁰

India

The country's size, location and role as a net security provider in the Indian Ocean puts it firmly at the core of the Indo-Pacific. Its economic and strategic directions will be pivotal in the future balance of power in the region. Some in India's

⁹ Panda, J. (2020), 'Australia in Malabar would Strengthen the Indo-Pacific Narrative', Asia Maritime Transparency Initiative – AMTI update, 13 July 2020, <https://amti.csis.org/australia-in-malabar-would-strengthen-the-indo-pacific-narrative>.

¹⁰ Directorate for Asia and Oceania, French Ministry for Europe and Foreign Affairs (2019), *French Strategy in the Indo-Pacific: For an Inclusive Indo-Pacific*, Paris, <https://www.diplomatie.gouv.fr/en/country-files/asia-and-oceania/the-indo-pacific-region-a-priority-for-france>.

strategic community are openly reassessing its stated ‘non-aligned’ posture¹¹ and, especially since the Chinese incursions on its border in 2020, it has become increasingly interested in strengthening partnerships.¹²

Kingdom of Tonga

Oceania covers a vast stretch of the Pacific part of the Indo-Pacific. The economies and societies of the strategically important nations of Oceania vary considerably. Tonga was chosen as a focal point for a range of reasons. Its population of around 100,000 makes it a medium-sized country by Oceania standards. Having never been colonized,¹³ it has long-standing and experienced foreign policy expertise. As the last surviving Polynesian kingdom, Tonga has a strong regional soft power network. The royal family also gives Tonga international soft power, as it interacts with other royal and imperial households, including in the UK, Japan, Thailand and the Middle East. Additionally, it is one of three Pacific Island countries with a military (the other two being Fiji and Papua New Guinea).

Japan

As one of the initiators of the modern Indo-Pacific strategic construct,¹⁴ Japan is actively trying to embed new approaches, including economic levers, to foster regional partnerships that are less dependent on China.¹⁵ It has a long-standing, deep strategic alliance with the US, is growing its economic and defence relations with India,¹⁶ and sees itself as a conduit into the Association of Southeast Asian Nations (ASEAN) for ‘outside’ partners such as the UK and France.¹⁷

Perceptions of the Indo-Pacific

The six countries have varied operational realities, priorities and perceptions. As an example, the term Indo-Pacific is itself perceived differently depending on the country. India officially views it as meaning the area from the east coast of Africa to the west coast of the Americas.¹⁸ Some in the US military take it to mean the area under the purview of US Indo-Pacific Command (USINDOPACOM),

¹¹ Varma, K. (2020), ‘From non alignment to strategic alignment: India’s way forward’, Sunday Guardian Live, 27 June 2020, <https://www.sundayguardianlive.com/opinion/non-alignment-strategic-alignment-indias-way-forward>.

¹² Choudhury, S. R. (2020), ‘After Border Clash with China, India to Continue Strengthening Ties with U.S., others, Experts Say’, CNBC News, 11 August 2020, <https://www.cnbc.com/2020/08/11/india-foreign-policy-new-delhi-to-strengthen-ties-with-us-and-others.html>.

¹³ Though Tonga was a protectorate of the UK from 1900 to 1970.

¹⁴ Abe, S. (2007), ‘Confluence of the Two Seas’, speech delivered to the Parliament of the Republic of India, 22 August 2007, <https://www.mofa.go.jp/region/asia-paci/pmv0708/speech-2.html>.

¹⁵ Ministry of Foreign Affairs of Japan (2019), ‘Chapter One: International Situation and Japan’s Diplomacy 2018’, in *Diplomatic Bluebook 2019*, <https://www.mofa.go.jp/policy/other/bluebook/2019/html/chapter1/c0102.html#sf01>.

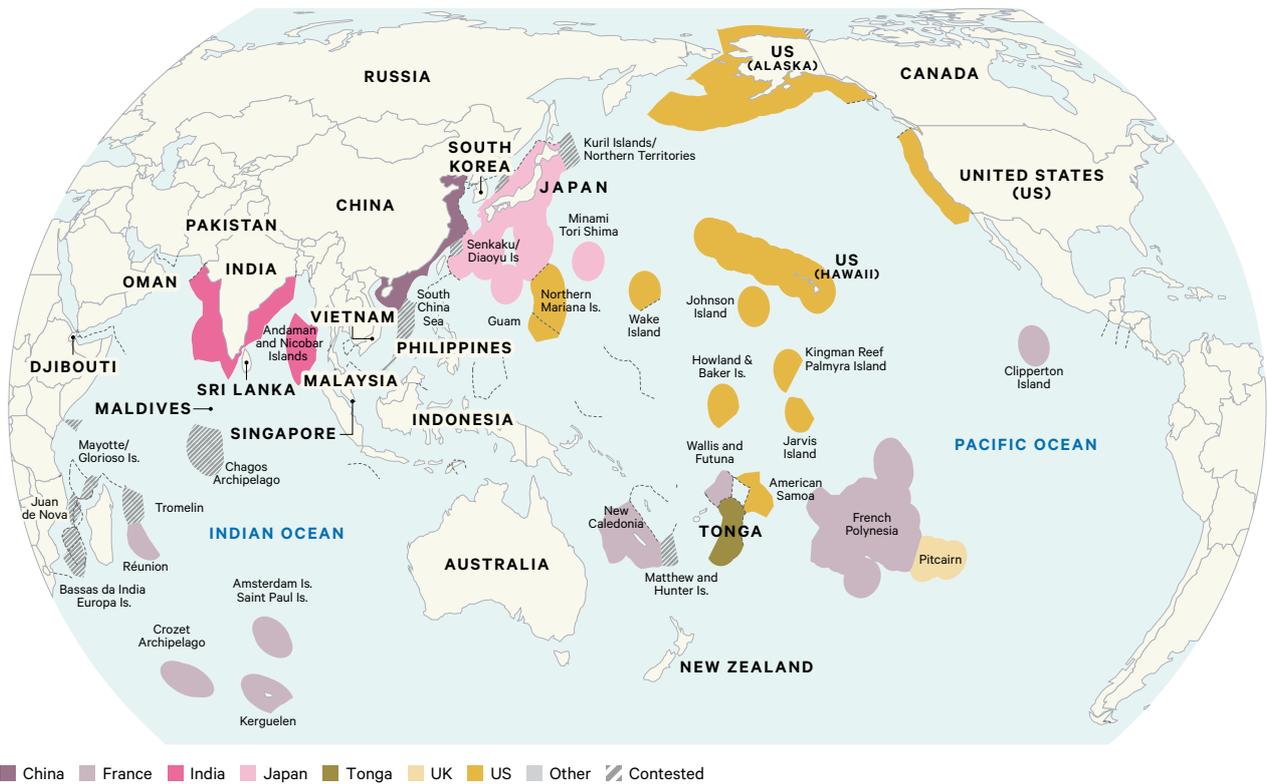
¹⁶ Ministry of Foreign Affairs of Japan (2020), ‘Signing of the Agreement Between the Government of Japan and the Government of the Republic of India Concerning Reciprocal Provision of Supplies and Services Between the Self-Defense Forces of Japan and the Indian Armed Forces’, press release, 10 September 2020, https://www.mofa.go.jp/press/release/press4e_002896.html.

¹⁷ Author interviews with roundtable participants, who were interviewed on condition of anonymity, Tokyo, March 2020.

¹⁸ Modi, N. (2018), ‘Prime Minister’s Keynote Address at Shangri La Dialogue (01 June 2018)’, speech delivered at the Shangri La Dialogue, 1 June 2018, <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>.

so roughly only as far west as the Maldives.¹⁹ Japan tends to put the emphasis on what the Japanese former Prime Minister Shinzo Abe called the Free and Open Indo-Pacific (FOIP), framing it in terms of political and economic systems.²⁰ Some, such as those in the French policy community, want the term more clearly defined.²¹ Others, such as those in the Indian policy community, see benefits in ambiguity.²² However, all agree, to some degree or another, that the primary driver of increasing interest in the Indo-Pacific is China's growing economic and strategic expansion.

Figure 1. Exclusive economic zones claimed by the US, UK, France, India, Tonga, Japan and China



Sources: Bordermap Consulting (n.d.), 'Home', <https://www.bordermap.com>; Flanders Marine Institute (2019), 'Maritime Boundaries Geodatabase, version 11', <https://www.marinerregions.org>; Natural Earth (n.d.), 'Free vector and raster map data', [naturalearthdata.com](https://www.naturalearthdata.com).
Note: The EEZs marked are indicative only and show both settled and disputed EEZ borders.

While partners may be aligned over concerns about China, such differing perceptions can stymie effective coordinated responses. This has been seen, for example, in the Oceania part of the Indo-Pacific. In the past 20 years or so, China has made rapid advances in Oceania, politically, economically and strategically.

¹⁹ US Indo-Pacific Command (2020), 'USINDOPACOM Area of Responsibility', <https://www.pacom.mil/About-USINDOPACOM/USPACOM-Area-of-Responsibility>.
²⁰ Green, M. J. and Szechenyi, N. (2020), 'Shinzo Abe's Decision to Step Down', Critical Questions, Washington, DC: Center for Strategic and International Studies, 28 August 2020, <https://www.csis.org/analysis/shinzo-abes-decision-step-down>.
²¹ Roundtable, 'The Indo-Pacific: Geostrategic Perspectives to 2024 – Workshop 3', IFRI, Paris, France, 17 October 2019.
²² Prasad, N. (2018), 'India's Foray into the Indo-Pacific: Embracing Ambiguity through Strategic Autonomy', Tokyo: Institute of Developing Economies Japan External Trade Organization, https://www.ide.go.jp/library/Japanese/Publish/Download/Report/2018/pdf/2018_2_40_011_ch07.pdf.

This included, in 2019, decisions in Kiribati and the Solomon Islands, each the site of costly battles in the Second World War (Makin, Tarawa and Guadalcanal), to switch political recognition from Taiwan to China.²³ Beijing sees control in the Oceania section of the Indo-Pacific as essential for breaking out of the strategically constricting first, second and third island chains.²⁴ These are concentric lines of islands off the east coast of Asia – including Taiwan (first island chain) and Guam, Palau and the Marianas (second island chain) – that can, if hostile, function to block Chinese maritime access to the wider Indo-Pacific.²⁵

Differing national perceptions – including a lack of understanding of perceptions within Oceania – can cause apparently aligned countries to work at cross-purposes, and to even undermine each other. This situation is why China continues to make advances in Oceania, in spite of the growing focus on the area.

Concern over China's advances in Oceania led the US, UK, France, India and Japan to increasingly engage with the countries of the region.²⁶ These engagements seem to share the common goal of limiting disruptive and expanding Chinese influence. However, differing national perceptions – including a lack of understanding of perceptions within Oceania – can cause apparently aligned countries to work at cross-purposes, and to even undermine each other. This situation is one of the reasons why China continues to make advances in Oceania, in spite of the growing focus on the area. This paper aims to shed light on some of these national perceptions in order to avoid, where possible, policy missteps.

Methodology

This paper examines a selection of differing national perceptions by sampling the analyses of the strategic and policy communities in the six countries, as well as in China. In the six countries, the core of the primary research consisted of two elements: a standardized survey anonymously completed by selected members of the strategic and policy communities; and closed-door roundtables and one-on-one expert interviews held in-person in each of the six locations. In China, the questionnaire was completed through in-person interviews.

²³ Shoebridge, M. (2019), 'Solomon Islands and Kiribati Switching Sides Isn't Just About Taiwan', *The Strategist* blog, 24 September 2019, Australian Strategic Policy Institute, <https://www.aspistrategist.org.au/solomon-islands-and-kiribati-switching-sides-isnt-just-about-taiwan>.

²⁴ Grossman, D., Chase, M. S., Finin, G., Gregson, W., Hornung, J. W., Ma, L., Reimer, J. R. and Shih, A. (2019), *America's Pacific Islands Allies: The Freely Associated States and Chinese Influence*, RAND Corporation Report, Santa Monica: RAND Corporation, https://www.rand.org/content/dam/rand/pubs/research_reports/RR2900/RR2973/RAND_RR2973.pdf.

²⁵ Kulshrestha, S. (2016), 'Opinion: Tonga & the Third Island Chain', *IndraStra*, 25 February 2016, <https://www.indrastra.com/2016/02/OPINION-Tonga-and-Third-Island-Chain-002-02-2016-0070.html>.

²⁶ The various roundtables and interviews that made up a large part of the extensive research for this paper.

The survey respondents, roundtable participants and interviewees were all directly involved with research, analysis and/or policymaking related to the Indo-Pacific. Topics addressed included geopolitical, geo-economic and geophysical change, trade, climate change disruptions, security cooperation, energy futures and bilateral relations. The timeline was to 2024, as beyond that political uncertainties rendered discussions increasingly speculative.

In the UK, the roundtable was held at Chatham House. In the five non-UK locations, the roundtables were conducted in partnership with a local think-tank. The partners were the East-West Center in Washington (US), Institut français des relations internationales (Ifri) (Paris, France), Gateway House (Mumbai, India), the Royal Oceania Institute (Nuku'alofa, Tonga) and the Indo-Pacific Studies Group (Tokyo, Japan). The roundtables were supplemented in each country by high-level one-on-one in-person interviews.

During the course of the project more than 200 experts discussed their personal assessments with the research team. While not an extensive sample, it was enough to indicate that, although there was rarely domestic unanimity on an issue, there were areas of substantial agreement on national-level assessments of strategic shifts in the Indo-Pacific. Additionally, the nature of those assessments varied from country to country. These national-level differences highlighted how misunderstanding or discounting the realities of policymakers from other countries could inadvertently make achieving common goals more difficult.

As such, this paper aims to assist strategic communities based in, or engaged with, the Indo-Pacific to identify commonalities and avoid unnecessary tensions with partners across the region as they try to anticipate shifts in priorities to 2024. The findings are not intended to be granular – which could make them ephemeral – but rather to identify major themes.

Three major themes

Three major themes emerged from the field research:

Domestic division

A constant in all countries was the concern that their own national policies and/or the policies of potential partners were fractured into two groupings. The perception was that large sections of political and economic communities were looking for closer ties with China, while defence, intelligence and security communities were concerned about Beijing's influence and intentions domestically and internationally. This fracture was impeding decisive and focused decision-making.

Uncertainty

Looking forward to 2024, participants often mentioned the extraordinary amount of uncertainty in international affairs, with one US participant saying, 'there are more balls in the air than at any time since World War II'. Factors mentioned included Brexit, US commitment to allies (and vice versa), economic stability, the

role of artificial intelligence in warfare, advances in Chinese military technologies, the speed and depth of India's strategic engagement in the wider Indo-Pacific, and Beijing's intentions in places such as Hong Kong, the South China Sea and Taiwan.

Hedging

Often domestic divisions and uncertainty were resulting in hedging – whereby countries try to manage their relationships with the US and China in a manner that leaves their options as open as possible. However, the general sentiment was that, by 2024, hedging would be coming to an end as both Beijing and Washington increased pressure.

These three themes manifested differently in the six countries and, over the course of the project, evolved to create an increasingly tense and dynamic strategic environment in the Indo-Pacific.

02

The US and the Indo-Pacific

While not fully formed, the US's strong focus on the Indo-Pacific has created opportunities for reinvigorated and reshaped economic and strategic partnerships in the region.

US Indo-Pacific policy development

Under President Donald J. Trump, there were marked changes in the way that the US administration interacted with the region. One was terminology. Previous administrations largely spoke about the 'Asia-Pacific'. Under Trump, the region was consistently referred to as the Indo-Pacific. That change is now embedded in US policy circles.²⁷

Using the Indian and Pacific Oceans – the Indo-Pacific – as geographic anchors signals a growing role for India and a more maritime approach.²⁸ There is also a bipartisan willingness in Washington to challenge what are perceived as aggressive Chinese actions and, as a corollary, to look at ways to limit Beijing's disruptive role in the region.²⁹

²⁷ Heiduk, F. and Wacker, G. (2020), *From Asia-Pacific to Indo-Pacific: Significance, Implementation and Challenges*, SWP Research Paper 2020/RP 09, Berlin: German Institute for International and Security Affairs, <https://www.swp-berlin.org/10.18449/2020RP09/#hd-d24373e581>.

²⁸ *The Economic Times* (2018), 'Indo-Pacific' Over 'Asia-Pacific' Reflect India's Rise: US Official', 11 June 2018, <https://economictimes.indiatimes.com/news/defence/indo-pacific-over-asia-pacific-reflects-indias-rise-us-official/articleshow/61519684.cms?from=mdr>.

²⁹ Ratner, E., Kliman, D., Blume, S. V., Doshi, R., Dougherty, C., Fontaine, R., Harrell, P., Rasser, M., Rosenberg, E., Sayers, E., Singh, D., Scharre, P., DeJonge Schulman, L., Bhatiya, N., Feng, A., Fitt, J., Lamberth, M., Lee, K. and Riikonon, A. (2019), *Rising to the China Challenge: Renewing American Competitiveness in the Indo-Pacific*, Washington, DC: Center for a New American Security, <https://www.cnas.org/publications/reports/rising-to-the-china-challenge>.

One of the first indications of a shift of focus was Trump's November 2017 Asia-Pacific Economic Cooperation (APEC) speech in Vietnam in which he talked about a vision for a 'free and open Indo-Pacific' (FOIP).³⁰ This built on Shinzo Abe's identical FOIP formulation, with the 'free and open' being a reference to the need to counter China's attempts to gain strategic control over areas such as the South China Sea.³¹

Three foundational documents

The US government published a series of foundational documents setting out its Indo-Pacific policies. The first, the administration's December 2017 *National Security Strategy* called China a 'revisionist power', and continued, 'China seeks to displace the United States in the Indo-Pacific region, expand the reaches of its state-driven economic model, and reorder the region in its favor.'³² It added, 'A geopolitical competition between free and repressive visions of world order is taking place in the Indo-Pacific region.'³³

In June 2019, the Department of Defense published the second key document *Indo-Pacific Strategy Report: Preparedness, Partnerships and Promoting a Networked Region*.³⁴ It opened with the statement, 'The Indo-Pacific is the Department of Defense's priority theater.' The reason for this was described thus, 'the People's Republic of China, under the leadership of the Chinese Communist Party, seeks to reorder the region to its advantage by leveraging military modernization, influence operations, and predatory economics to coerce other nations.'³⁵ The document underlined how the US considered the key to countering the challenge was to work more closely with 'allies and partners'. That was one of the reasons for the May 2018 change of name for the US Pacific Command (USPACOM) to US Indo-Pacific Command (USINDOPACOM). This highlighted the role of India in the region,³⁶ and by extension the growing focus on the Quad (US, India, Japan, Australia).

In November 2019, the Department of State published the third foundational document, *Free and Open Indo-Pacific: Advancing a Shared Vision*.³⁷ It again emphasized working together with partners, highlighting 'our strategic partner India' to 'address shared challenges and advance a shared vision'.³⁸ Going

³⁰ Trump, D. J. (2017), 'Remarks by President Trump at APEC CEO Summit, Da Nang, Vietnam', speech delivered at the APEC CEO Summit, 10 November 2017, <https://asean.usmission.gov/remarks-president-trump-apecc-summmit-da-nang-vietnam>.

³¹ Ministry of Foreign Affairs of Japan (2017), 'Chapter One: International Situation and Japan's Diplomacy 2016', in *Diplomatic Bluebook 2017*, <https://www.mofa.go.jp/policy/other/bluebook/2017/html/chapter1/c0102.html#sf03>.

³² US Government (2017), *National Security Strategy of the United States of America*, p. 25, <https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

³³ *Ibid.*, p. 45.

³⁴ US Department of Defense (2019), *Indo-Pacific Strategy Report: Preparedness, Partnerships and Promoting a Networked Region*.

³⁵ *Ibid.*

³⁶ US Indo-Pacific Command (2018), 'Pacific Command Change Highlights Growing Importance of Indian Ocean Area', DOD News, 31 May 2018, <https://www.pacom.mil/Media/News/News-Article-View/Article/1537107/pacific-command-change-highlights-growing-importance-of-indian-ocean-area>.

³⁷ US Department of State (2019), *Free and Open Indo-Pacific: Advancing a Shared Vision*, <https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>.

³⁸ *Ibid.*, p. 4.

further, it acknowledged that many countries in the region needed infrastructure development, a sector that China dominated with its BRI. Accordingly, the document described a series of infrastructure programmes designed to offer partners alternatives.³⁹

The Biden administration has continued the focus on the Indo-Pacific, introducing new initiatives and emphasizing the importance of working with allies and partners. President Biden's first official multilateral meeting, held virtually, was with the other leaders of the Quad.

Roundtable and interview summary⁴⁰

Vitally important but slipping away?

Officially, as seen from the documents referenced earlier, the Indo-Pacific formulation of the US encapsulates its stated desire to work with like-minded partners and allies to counter the 'repressive vision' of China.⁴¹ US roundtable participants were less certain about how and whether that could happen. As one interviewee put it, 'The region is of vital importance, and we almost take it as a given.' There was concern that lack of interest in the region, especially since the end of the Cold War, meant the US would have to move quickly and decisively if it were to retain its position of influence in the Indo-Pacific.

US and the Quad

Participants tended to view the Quad as a good and important idea for building and reinforcing Indo-Pacific partnerships. As it stood, one participant said, the region seemed more like a big zone with an uncoordinated 'hodgepodge' of small forces, with some overlapping bilateral and trilateral partnerships. In that context, just to be talking about the Quad and getting a bit of agreement was considered progress. The relationship with Australia was deep and solid, and those with India and Japan were developing well, even though they were more complicated.

Participants agreed that India was a high priority, but some said there were limitations. Its economy and military were developing at a reduced rate, and some purchases, such as the Russian S-400 system, precluded some elements of high-tech defence cooperation with the US. The bottom line for at least one participant was that the US should work as much as it could with India, but 'don't go nuts with expectations'.

While there was unanimity about the deep strategic relationship with Japan, the concern was that Tokyo had not really increased defence spending or done something to make China take it seriously. Tokyo seemed to be counting on the US to defend it. Complicating the matter, Japan previously was afraid of being

³⁹ Ibid., p. 16.

⁴⁰ Roundtable, 'The Indo-Pacific: Geostrategic Perspectives 2019–20 – Workshop 1', East-West Center in Washington, DC, 11 September 2019; as with all roundtable and interview summaries, this is reporting what was said, whether it is objectively accurate or not. The emphasis is on understanding perspectives, not an accrual of facts.

⁴¹ US Government (2017), *National Security Strategy of the United States of America*, p. 45.

‘sucked into an American war’; now it was afraid of being abandoned. However, one participant added that if Japan developed its nuclear weapons capability, that would be transformational.

The potential for a ‘Quad plus’

There was interest in expanding the Quad, and two relevant countries discussed, given the structure of this paper, were the UK and France.

The overall consensus was that the US–UK economic and strategic relationship was likely to improve post-Brexit, in large part because London would need the US more than ever. Participants said that the UK’s claim to power was rooted in two things, its nuclear and intelligence capacities. Specifically on defence, it was said that while there were excellent niche capabilities, the UK’s forces were not what they once were. However, there was appreciation for the UK’s apparent willingness to engage in the Indo-Pacific with, for example, freedom of navigation operations (FONOPs), training with Japan and especially the potential for reinvigorating the Five Power Defence Arrangements (FPDA), a ‘low-profile regional security institution’⁴² between the UK, Australia, New Zealand, Malaysia and Singapore, which might open up new basing opportunities.

Of concern, however, was that the UK would want to sustain its role in international finance and might think that it was dependent on the goodwill of Beijing to do that. The perception was that China had penetrated the UK ‘in a big way’ and that could affect the UK’s ability to work deeply with the US on strategic issues.

In terms of greater US–France cooperation in the Indo-Pacific, France under President Emmanuel Macron was seen as being unusually US-friendly, to the point of wanting to displace the UK somewhat in the ‘special relationship’, especially as an EU entry point post-Brexit. However, the view was that France would find it difficult to be too antagonistic towards China as it would have to maintain good relations with other EU partners who hold a different view of Beijing.

Ultimately, France was considered a friend of the US now, but the French desire for a special relationship with the US has changed with every French president. As a result, the US could not trust the French consistently like it could the UK and Australia. That played out in intelligence-sharing. Washington could not bring Paris into closer intelligence-sharing without knowing whether it could count on France in a few years from now.

Analysis

During the roundtable, there were lingering signs of internal divisions regarding how to engage (or not) with China, and uncertainty over the commitment by the US to enact policies that would fundamentally change dynamics in the Indo-Pacific. However, the first half of 2020 saw those divisions largely resolve and the uncertainty dissipate with a marked, bipartisan hardening in the posture of the US towards

⁴² Huxley, T. (2017), ‘Developing the Five Power Defence Arrangements’, *IJSS Shangri-La Voices* blog, 1 June 2017, <https://www.ijss.org/blogs/analysis/2017/06/fpda>.

China.⁴³ While there had long been concerns about China in the US administration, bipartisan urgency mounted as the events of early 2020 unfolded, including China's handling of COVID-19, Beijing's security legislation involving Hong Kong, concern over human rights abuses, as well as aggression on the Indian border and in regional seas.⁴⁴

The resulting actions included Washington stripping Hong Kong of its special economic status,⁴⁵ plans to reshore US medical supply chains from China,⁴⁶ banning imports from companies linked to slave labour in Xinjiang,⁴⁷ blocking billions of dollars' worth of US pension fund investments in China⁴⁸ and banning investments in companies linked to the Chinese military.⁴⁹

Additionally, there were intensified efforts to reassure Indo-Pacific partners in order to reduce their hedging, including strong statements supporting partners against Beijing's 'incredibly aggressive actions',⁵⁰ a shift of US defence assets to the region, and the prospect of billions of dollars in spending on a Pacific Deterrence Initiative to strengthen Indo-Pacific partners' capacities and interoperability.⁵¹ Given US popular sentiment about China, economic concerns and Beijing's own actions, the US renewed strategic focus on the Indo-Pacific is likely to stay in place as long as China is considered a threat, regardless of changes in administrations.⁵²

In a potential indication of things to come, President Biden's first multilateral meeting, with the other leaders of the Quad, resulted in several concrete initiatives, including a plan for the US and Japan to help finance the expansion of COVID-19 vaccine production in India, with Australia aiding in distribution logistics in the region, including in Oceania. There were also commitments to look at ways to work together in new technologies and climate change.

⁴³ Wolfgang, B. and Tomas, L. (2020), 'Biden Rushes to Join Trump in Taking Hard Line on China', *Washington Times*, 3 September 2020, <https://www.washingtontimes.com/news/2020/sep/3/joe-biden-donald-trump-take-hard-line-china>.

⁴⁴ Pompeo, M. R. (2020), 'Communist China and the Free World's Future', speech, 23 July 2020, <https://2017-2021.state.gov/communist-china-and-the-free-worlds-future-2/index.html>

⁴⁵ Bureau of East Asian and Pacific Affairs, US Department of State (2020), 'U.S. Relations with Hong Kong', Bilateral Relations Factsheet, 28 August 2020, <https://www.state.gov/u-s-relations-with-hong-kong>.

⁴⁶ Trump, D. (2020), 'Executive Order on Ensuring Essential Medicines, Medical Countermeasures, and Critical Inputs are Made in the United States', Executive Order, <https://trumpwhitehouse.archives.gov/presidential-actions/executive-order-ensuring-essential-medicines-medical-countermeasures-critical-inputs-made-united-states>.

⁴⁷ BBC (2020), 'Xinjiang: US to Block Some Exports Citing China's Human Rights Abuses', 15 September 2020, <https://www.bbc.com/news/business-54155809>.

⁴⁸ Swanson, A. (2020), 'Federal Retirement Fund Halts Planned China Investment Under Pressure', *The New York Times*, 13 May 2020, <https://www.nytimes.com/2020/05/13/business/economy/china-tsp-federal-retirement-fund.html>.

⁴⁹ Trump, D. (2020), 'Executive Order on Addressing the Threat from Securities Investment that Finance Communist Chinese Military Companies', Executive Order, 12 November 2020, <https://www.federalregister.gov/documents/2020/11/17/2020-25459/addressing-the-threat-from-securities-investments-that-finance-communist-chinese-military-companies>.

⁵⁰ Pamuk, H. and Landay J. (2020), 'Pompeo says China took 'incredibly aggressive action' in recent clash with India', Reuters, 8 July 2020, <https://ca.reuters.com/article/idUSKBN2492D7>.

⁵¹ House Armed Services Republicans (2020), 'Fact sheet: Thornberry Indo-Pacific Deterrence Initiative', fact sheet, 14 April 2020, <https://republicans-armedservices.house.gov/sites/republicans.armedservices.house.gov/files/IPDI%20Fact%20Sheet%20.pdf>.

⁵² Fromer, J. (2020), 'US Elections: Whether Trump or Biden Wins, China Policies Won't Change Much, Experts Say', *South China Morning Post*, 4 September 2020, <https://www.scmp.com/news/china/politics/article/3100126/us-elections-whether-trump-or-biden-win-china-policies-wont>.

03

The UK and the Indo-Pacific

Post-Brexit, the UK is actively working on rethinking its place in the world and what that will mean for its Indo-Pacific engagement.

UK Indo-Pacific policy development

UK foreign policy as a whole is undergoing epochal change. This is part of an ‘integrated review’ described by the UK government as the ‘biggest review of foreign, defence and development policy since the Cold War’.⁵³ Brexit alone required a fundamental reassessment of British foreign policy.⁵⁴ The geopolitical and geo-economic fallout of COVID-19 as well as crises such as events in Hong Kong have made the need for such a reassessment even more acute.

One developing policy seems to be trying to leverage unique Commonwealth relationships to reclaim some of the strategic influence lost over the past decades. At the Commonwealth Heads of Government meeting in the UK in 2018, then Foreign Secretary Boris Johnson announced the opening of nine new diplomatic missions in Commonwealth countries, including three in Oceania.⁵⁵ All nine new UK missions are in countries with small populations and economies that are often overlooked by major powers. That means, for example, that any problematic Chinese influence is less apparent until it becomes a larger security concern. Johnson’s announcement seemed to mark the development of a ‘niche’ diplomatic and intelligence positioning in which the UK, at low cost, could quickly gain value in the eyes of its medium

⁵³ UK Government (2020), ‘Prime Minister Announces Merger of Department for International Development and Foreign Office’, press release, 16 June 2020, <https://www.gov.uk/government/news/prime-minister-announces-merger-of-department-for-international-development-and-foreign-office>.

⁵⁴ Nouwens, V. (2020), ‘Re-examining the UK’s Priorities in the Asia-Pacific Region’, Royal United Services Institute Commentary, 17 March 2020, <https://rusi.org/commentary/re-examining-uk%E2%80%99s-priorities-asia-pacific-region>.

⁵⁵ UK Government (2018), ‘Foreign Secretary Expands UK Commonwealth Diplomatic Network’, press release, 19 April 2018, <https://www.gov.uk/government/news/foreign-secretary-expands-uk-commonwealth-diplomatic-network>.

and larger-sized partners (and in particular Five Eyes partners) as a provider of information and engagement in otherwise less covered locations.

If this were an indication of the approach of Johnson as prime minister, it could signal an increasingly pragmatic foreign and security policy in which limited budgets are deployed to gain increased, focused influence. An obvious area to develop that reach would be the Indo-Pacific. However, at the time of the roundtable, there were still substantial internal divisions and uncertainties about how to engage with potential partners in the region.

Roundtable and interview summary⁵⁶

The foreign policy and business communities' view of the UK in the Indo-Pacific

During the interviews and roundtable, conflicting assessments were written large about 'Global Britain' and the UK's place in the Indo-Pacific more specifically, with foreign policy and business communities tending in one direction, and defence and security communities in another.

When foreign policy participants were asked if the UK was a great power, there was often an awkward pause, followed by a variation on 'not really'. That perception shaped the UK's foreign policy ambitions. One participant said, 'we should start thinking of ourselves as a middle power. What do middle powers do? Conflict, peacekeeping, diplomacy...'. Another talked about finding the right 'niches'. In the business community, emphasis was placed on the City of London, which one participant called 'one of our only real areas of power', with another adding, 'we have no other leverage – the perception is that we are strong in the financial and intelligence sectors.'

The premise was that the UK government had a balanced 'all of Asia' policy with hopes for working with 'an independent, open, inclusive, prosperous, secure and resilient set of countries in the region that promote and uphold the rules-based order'. Some priority countries mentioned were Japan, Australia and Singapore. However, the talking points tended to be short on concrete implementation plans.

One exception was climate change, both in terms of mitigation and adaptation. The subject was seen as an entry point for the UK in the Indo-Pacific, in particular Oceania (where, due to the large number of countries, there are a substantial number of votes in international forums). The UK positions itself as a global leader in this matter, and first brought climate change to the UN Security Council in 2007. This stance dovetails with concerns in Oceania, where climate change is often referred to as an 'existential' threat. One participant described the policy as 'an open goal politically... It's a barometer to show our engagement in the region'.

⁵⁶ Roundtable, 'The Indo-Pacific: Geostrategic Perspectives 2019–24 – Workshop 2', Chatham House, London, 24 September 2019.

The 26th Session of the Conference of the Parties (COP26)⁵⁷ to the United Nations Framework Convention on Climate Change was seen as a chance to boost that positioning and open up areas of collaboration.

The defence and security communities' view of the UK in the Indo-Pacific

Participants from the defence and security communities tended to have less broad-spectrum, more focused goals. Some also thought the 'FCO language' was not helpful in the region. One participant remarked that terms like 'rules-based order' irritate some Indo-Pacific partners, while another said, 'They find it old-fashioned. They don't recognize it.'

A sharp division existed domestically between those who thought economic penetration by China could be 'contained' and those who thought otherwise.

Their perception was that the UK could use its areas of military expertise, the potential to reinvigorate the Five Power Defence Agreements, and its position as a leader in intelligence to build or reinforce strategic relationships with specific countries in the Indo-Pacific.

For example, one participant said, 'Japan had been prodding us [the UK] with a stick to engage more.' It seemed to be working. The UK–Japan joint statement of 2019 referred to their 'global strategic partnership'⁵⁸ and outlined a range of areas where the two could work together. One participant noted, 'Japan has unique geographical positioning. There are lots of possibilities for collaboration with Japan, and to use influence to work together with other countries in that region.' Already there had been joint training, collaboration with Tokyo on an air-to-air missile, and there were plans for more, including deeper intelligence-sharing.⁵⁹

Uncertainty, domestic division and hedging in the UK

Underpinning most of the discussions was uncertainty about trade deals, the evolving nature of relationships with regional organizations such as ASEAN, and priority areas. There was even uncertainty about terminology, with the term 'Far East' still often used for areas that other countries consider the Indo-Pacific.⁶⁰

A sharp division existed domestically between those who thought economic penetration by China could be 'contained' and would not have strategic implications,

⁵⁷ COP26 was, at the time of the roundtable, due to be held in the UK in November 2020. It has now been postponed by one year due to COVID-19.

⁵⁸ Governments of Japan and UK (2019), 'UK-Japan Joint Statement', https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/770467/UK-Japan_Joint_Statement.pdf.

⁵⁹ Tajima, Y. (2020), 'Japan Deepens Intelligence Sharing with India, Australia and UK', NIKKEI Asia, 3 July 2020, <https://asia.nikkei.com/Politics/International-relations/Japan-deepens-intelligence-sharing-with-India-Australia-and-UK>.

⁶⁰ Patalano, A. (2019), *UK Defence from the 'Far East' to the 'Indo-Pacific'*, Report, London: Policy Exchange, <https://policyexchange.org.uk/wp-content/uploads/2019/07/UK-Defence-from-the-'Far-East'-to-the-'Indo-Pacific'.pdf>.

and those who thought otherwise. The resulting hedging was disrupting the UK's relationship with partners, in particular the US, affecting not only strategic cooperation, but also trade.

Overall, there was the perception that the Indo-Pacific was a complex environment that would require flexibility, including bringing in non-state partners from the UK (including the private sector and education sector). It was essential not to take close allies for granted and to have a continuing, and committed, presence in the region, with one participant saying, 'If the UK isn't prepared to invest in the long term, we might as well not bother'. At the same time, it was important not to buy into the perception that 'China is winning and we are losing'. Instead it was hoped that the UK could have something to offer and, especially if working with like-minded countries, it could make a difference and be seen as a reliable partner.

Analysis

In the months following the roundtable, the internal divisions and uncertainty came to a head over how to respond to China's new security laws in Hong Kong and over whether to allow the Chinese company Huawei to be involved in the development of the UK's advanced communications systems. The decisions taken on these matters resolved some of the hedging. The UK government decided to extend residence rights to up to 3 million British National (Overseas) (BNO) citizens in Hong Kong,⁶¹ as well to completely remove Huawei equipment from the UK's 5G networks by 2027.⁶² Those two decisions were a major strategic statement; they were welcomed by the US, Australia and others, and were unequivocally denounced by China. The welcome to BNO citizens potentially put at risk Chinese investment in the City of London, but it opened another possible path for money that is fleeing Hong Kong. Meanwhile, the removal of Huawei reinforced the UK's central role in the Five Eyes intelligence-sharing network.

Substantial China-related issues are still to be addressed, such as China's role in the UK nuclear sector. However, for now it seems that those who are concerned about Chinese influence are in the ascendant, opening the way for the UK to work more closely on defence and security partnerships in the Indo-Pacific and possibly to play a larger role within groupings such as the Quad plus. In November 2020, the UK government announced billions of pounds in new funds for defence modernization, with Johnson declaring the goal of restoring the UK as 'the foremost naval power in Europe'.⁶³ Where is that navy most likely to be deployed? The Indo-Pacific, especially given the 'Indo-Pacific tilt' outlined by the government in the March 2021 integrated review.⁶⁴

⁶¹ UK Government (2020), 'UK to Extend Residence Rights for British National (Overseas) Citizens in Hong Kong', press release, 1 July 2020, <https://www.gov.uk/government/news/uk-to-extend-residence-rights-for-british-nationals-overseas-citizens-in-hong-kong>.

⁶² UK Government (2020), 'Huawei to be Removed from UK 5G Networks by 2027', press release, 14 July 2020, <https://www.gov.uk/government/news/huawei-to-be-removed-from-uk-5g-networks-by-2027>.

⁶³ BBC News (2020), 'Defence Funding Boost 'Extends British Influence', Says PM', 19 November 2020, <https://www.bbc.com/news/uk-54988870>.

⁶⁴ UK Government (2021), *Global Britain in a competitive age: The Integrated Review of Security, Defence, Development and Foreign Policy*, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/969402/The_Integrated_Review_of_Security__Defence__Development_and_Foreign_Policy.pdf.

04

France and the Indo-Pacific

France considers itself a ‘resident’ in the Indo-Pacific and works to attain the status of a local actor to unobtrusively advance its interests and shape norms.

France’s Indo-Pacific policy development

Under President Macron, there has been a marked increase in intensity in France’s strategic Indo-Pacific focus, with a clear emphasis on ‘French interests’. Apart from regional high-level visits,⁶⁵ in 2019 the French Ministry for the Armed Forces published *France’s Defence Strategy in the Indo-Pacific*⁶⁶ and the Ministry for Europe and Foreign Affairs published *The French Strategy in the Indo-Pacific*.⁶⁷ Officially the French approach is coordinated with the EU, but there is not an EU Indo-Pacific policy, due in part to the EU’s complex relationship with China. However, in September 2020, Germany released ‘policy guidelines’ on the Indo-Pacific that state, ‘the German Government is aiming not least to promote a European Indo-Pacific strategy’.⁶⁸ In November 2020, another former Indo-Pacific colonial power, the Netherlands, announced its own Indo-Pacific policy, based on a ‘unique Dutch vision’ for the

⁶⁵ Macron, E. (2018), ‘Discours à Garden Island, Base Naval de Sydney’, speech delivered at Garden Island, 3 May 2018, <https://www.elysee.fr/emmanuel-macron/2018/05/03/discours-a-garden-island-base-navale-de-sydney>.

⁶⁶ French Ministry of the Armed Forces (2019), *France’s Defence Strategy In the Indo-Pacific*, <https://www.defense.gouv.fr/content/download/559608/9684004/file/France's%20Defence%20Strategy%20in%20the%20Indo-Pacific%20-%202019.pdf>.

⁶⁷ Directorate for Asia and Oceania, French Ministry for Europe and Foreign Affairs (2019), *French Strategy for the Indo-Pacific: For an Inclusive Indo-Pacific*.

⁶⁸ Federal Foreign Office of Germany (2020), ‘Germany – Europe – Asia: Shaping the 21st Century Together’: The German Government Adopts Policy Guidelines on the Indo-Pacific Region’, 1 September 2020, <https://www.auswaertiges-amt.de/en/aussenpolitik/regionaleschwerpunkte/asien/german-government-policy-guidelines-indo-pacific/2380510>.

region.⁶⁹ Germany and the Netherlands' gambit to shape the EU's strategy will likely have little effect on France's Indo-Pacific engagement, which is based on shared geography and long-standing, carefully cultivated, bilateral relationships.

Roundtable and interview summary⁷⁰

French engagement and 'non-aligned alliances'

During the interviews and roundtable, there was consistent emphasis on France's diversified and deep economic engagement in the region. In terms of sales in the government's priority areas of defence, energy and infrastructure, it was said that one of France's goals was to attain the status of a local actor, allowing it to contribute to shaping norms. One participant said that France tried to distinguish itself by saying 'any type of agreement with France has a lower political and military conditionality than that of the United States. It's the French added value.' Another participant described France's position as 'non-aligned alliances'. That said, it was also stated that one of the reasons for France's increased role in the Indo-Pacific was China. One participant said, 'everyone is happy with the presence of France, because of China and the lack of allied presence with capacity.'

France and ASEAN

France works both bilaterally and with regional organizations. Specifically, according to participants, France puts emphasis on working with ASEAN in the Indo-Pacific but, due to internal ASEAN dynamics, the perception was that ASEAN 'makes a lot of noise' but was inefficient, slowed down action and complicated issues – what one participant described as the 'ASEAN fog'.

France and India

The relationship with India was said to be particularly important for France, especially in diplomacy, business and defence. It is built on a long-standing foundation. France and India have worked together since the 1950s, with space cooperation starting in the 1960s.⁷¹ Under Macron, closer ties became a core part of French strategic policy. For participants, India was a large market for defence, energy and infrastructure and was considered key for geopolitical balance.

Participants stressed France's maritime role in the region, highlighting that France was appreciated by India as it had good maritime domain awareness and brought an operational approach. Strategically, France was said to consider the Indian Navy a net security provider in the region; the primary France–India zone of engagement

⁶⁹ Strangio, S. (2020), 'Following France and Germany, the Netherlands Pivots to the Indo-Pacific', *The Diplomat*, 18 November 2020, <https://thediplomat.com/2020/11/following-france-and-germany-the-netherlands-pivots-to-the-indo-pacific>.

⁷⁰ Roundtable, 'The Indo-Pacific: Geostrategic Perspectives 2019-24 – Workshop 3', IFRI, Paris, France, 17 October 2019.

⁷¹ Department of Space, Indian Space Research Organisation (2015), 'India and France jointly released a set of two commemorative postage stamps, highlighting 50 years of space co-operation between the two countries', press release, <https://www.dos.gov.in/india-and-france-jointly-released-set-of-two-commemorative-postage-stamps-highlighting-50-years-of>.

was the Indian Ocean, in particular the northwest and southwest sectors, where France has territories and where India has weaker links. Both countries wanted to build the partnership. In that context, France and India were said to be deepening their relationship by collaborating on a constellation of satellites for maritime traffic surveillance (India's largest partnership of this kind),⁷² as well as a mechanism for increased information exchange and logistics.

The perception was that when it comes to defence, India was agnostic and buys from everywhere; the west coast of India had French submarines and the east coast had Russian nuclear submarines. France itself had sold submarines to both India and Pakistan. As a result, it was said that French industry knew that 'deal-breaker' conditions were impossible – France did not have the 'political force' to impose any and taking a strong stance would be detrimental to the French defence sector.

French industry knew that 'deal-breaker' conditions were impossible – France did not have the 'political force' to impose any and taking a strong stance would be detrimental to the French defence sector.

Working with India was considered 'complicated' and required finesse. Among the complicating factors mentioned were the interplay between India's private and public sectors, the importance of the 'tycoon of the moment' and their relationship with the political elite (often individual business leaders wield substantial influence at state and central government levels in India), the range of partnerships with foreign powers, and the complexity of Indian government bureaucracy. France has tried to position itself as offering predictable, reliable, trusted, long-term partnerships that stayed out of the media and delivered.

France and Japan

Another priority Indo-Pacific partner for France was Japan. Reasons given were that it was an originator of the FOIP, a major regional economic power and a supporter of liberal and multilateral orders. The perception was that, strategically, the 'Japanese project' was anti-China and strongly dependent on the US. Participants said that within Japan there seemed to be concern about continued US commitment, which contributed to a desire to increase capacities and diversify its security partners to include others such as India and Australia, and ideally France. This was said to suit the US as it wanted Japan to take up more responsibilities within the alliance.

One Japanese goal was perceived to be to prevent China from taking strategic control of maritime routes and zones, including the South China Sea and Oceania. In this context, participants thought a growing Franco-Japanese strategic partnership would prioritize maritime domains. Already there was collaboration in Djibouti and interest in working together in Southeast Asia. However, in terms of France's

⁷² *The Economic Times* (2018), 'India, France Plan Satellites for Maritime Surveillance: French Space Agency Chief', 17 September 2018, <https://economictimes.indiatimes.com/news/defence/india-france-plan-satellites-for-maritime-surveillance-french-space-agency-chief/articleshow/65828365.cms?from=mdr>.

defence partnerships with Japan, agreements around platforms, weapons or simply equipment had been slow, cautious and difficult. One solution mentioned was to offer to sell dual-use equipment – for potentially both civil and military applications – which would reassure Tokyo strategically, and as a partner.

France and Oceania

France has large territories in Oceania, including French Polynesia and New Caledonia, and Paris is trying to gain trust and work more with its Oceania neighbours and regional organizations, especially in areas such as climate change, environmental sustainability, monitoring of illegal fishing, drugs trafficking and more. However, French Oceania has its own challenges. According to participants, there was an awareness of growing Chinese investment in French Polynesia, which is pitting economic considerations against security concerns, as well as the perception that China was encouraging independence movements in French territories. Paris has markedly increased its focus on the region, but participants said there were still gaps.

French concerns in the Indo-Pacific

Although comparatively advanced, France's Indo-Pacific policy was perceived to be still in formation, and to lack enough administrative, financial and human resources to fully translate demands into operations. As one participant said, 'it is not because there is a strategy on the Indo-Pacific that France is present everywhere.' One approach was to create a division of labour with partners, for instance through ad hoc cooperation on geographic issues or certain subjects such as overfishing. In Oceania, for example, France could work with Australia in one location, and Japan in another.

A major concern was that the US–China dynamic would become increasingly polarized, leaving less room for manoeuvre or hedging for France. An energy sector participant said that from their perspective, they were not operating in a polarized context, and they didn't want to have to make a choice. They currently worked with a range of countries but, if polarization intensified, their freedom of operation would become constricted and it would be more difficult for countries like Myanmar to 'escape' China's influence, which would affect French business interests.

Another potential impediment for France was the regional counter-narrative that any European engagement was neocolonial. While less apparent at governance levels, this narrative was present in the media, and was a leverage point for China to use against France. To get around those concerns, participants repeatedly brought up France's priority of nurturing deeper multifaceted partnerships, in particular with India and Japan.

In addition, the participants perceived the risk of US-linked strategic surprises to be very high, and the future as uncertain and worrying. Militarily, China was perceived to be closing the gap on the US in the Indo-Pacific. That led many participants to repeat that strong ties with Japan, India, Australia, Indonesia and others were ever more important.

Ultimately, the perception was that the ability of the various countries to coordinate, if not cooperate, would determine geopolitical balance and, in the meantime, the French bottom line was not to *se faire bouffer* (to be eaten bit by bit) in the Indo-Pacific.

Analysis

In terms of strategic policy, France is one of the least divided and most certain countries when it comes to its direction, in part because its economic, political and defence outlooks are closely aligned. Rather than hedging, it is trying to shape its own Indo-Pacific reality, unabashedly built around pragmatic French interests.⁷³ For example, in September 2020, France tested the waters for Macron's 2018 vision of a 'Paris–Delhi–Canberra Axis' by inaugurating a France, India and Australia Indo-Pacific trilateral.⁷⁴ That is one way of handling not being included in the Quad.⁷⁵

Since the COVID-19 outbreak, France may find its room for manoeuvre more limited as other countries pick sides between Beijing- and Washington-centred groupings. However, far from withdrawing from the region, it is actively trying to build partnerships there. France may not be able to engage as widely, but it is likely to engage more deeply, especially as it stands to benefit as the partners it does have in the Indo-Pacific, for instance India, build up their military power.⁷⁶

⁷³ Directorate for Asia and Oceania, French Ministry for Europe and Foreign Affairs (2019), *French Strategy for the Indo-Pacific: For an Inclusive Indo-Pacific*.

⁷⁴ Indian Ministry for External Affairs (2020), '1st Senior Officials' India-France-Australia Trilateral Dialogue', press release, 9 September 2020, https://mea.gov.in/press-releases.htm?dtl/32950/1st_Senior_Officials_IndiaFranceAustralia_Trilateral_Dialogue.

⁷⁵ Pradhan, K. (2020), 'India, France, Australia hold Indo-Pacific Dialogue: An Alternative to the Quad in Critical Region Won't Hurt', Firstpost, 11 September 2020, <https://www.firstpost.com/india/india-france-australia-hold-indo-pacific-dialogue-an-alternative-to-the-quad-in-critical-region-wont-hurt-china-8806031.html>.

⁷⁶ PTI (2020), 'NSA Ajit Doval Holds Talks with French Defence Minister Florence Parly to Boost Security Cooperation', India.com, 10 September 2020, <https://www.india.com/news/india/nsa-ajit-doval-holds-talks-with-french-defence-minister-florence-parly-to-boost-security-cooperation-4137649>.

05 India and the Indo-Pacific

India is pivotal to strategic balance in the Indo-Pacific and it is in the process of actively assessing its reach, interests and focus.

India's Indo-Pacific policy development

The 'Confluence of the Two Seas' speech by the then Japanese prime minister, Shinzo Abe, to the Indian parliament in 2007 was credited with jump-starting New Delhi's Indo-Pacific policy discussions.⁷⁷ Since then, administratively, the most visible component of this shift has been diplomacy, with the lead taken by the Ministry of External Affairs (MEA). India created an Indo-Pacific division within the MEA, integrating work related to the Indian Ocean Rim Association (IORA), ASEAN and the Quad. (By comparison, in the US, the most visible, active and best-funded Indo-Pacific presence is not in the Department of State, but in the Department of Defense.) As with many other countries, while India's defence and security communities expressed concerns about China, its foreign policy, business and political sectors were more accommodating. However, a fundamental shift has occurred since the emergence of COVID-19, and especially since June 2020, when Chinese troops initiated a clash near the Himalayan border in which 20 Indian soldiers and an unknown number of Chinese troops were killed. India's strategic community is now one of the most vocal about the need to defend against Chinese aggression.⁷⁸

⁷⁷ Abe, S. (2007), 'Confluence of the Two Seas'; Pant, H. V. (2020), 'Shinzo Abe's Formidable Legacy And India-Japan Ties', Observer Research Foundation, 3 September 2020, <https://www.orfonline.org/expert-speak/shinzo-abes-formidable-legacy-and-india-japan-ties>.

⁷⁸ Nalapat, M. D. (2020), 'Modi can Repeat 1971 and Ensure a 1962 in Reverse', Sunday Guardian Live, 13 September 2020, <https://www.sundayguardianlive.com/news/modi-can-repeat-1971-ensure-1962-reverse>.

Indian Ocean focus

While the Himalayas have recently become increasingly strategically active, a secure Indian Ocean is also critical for India. Approximately 90 per cent of both Indian trade by volume and India's oil imports pass through the area,⁷⁹ and it has been an entry point for terrorist infiltrators, most notably during the 2008 Mumbai attacks. India's strategic community has been disconcerted by increased Chinese maritime activity in the region,⁸⁰ which is often seen as dual use, such as Chinese military activity at the 'commercial' Gwadar port in Pakistan.⁸¹

Roundtable and interview summary⁸²

India's limitations and aspirations in the Indo-Pacific

Indian policymakers and its strategic community said that they were very aware that the 'Indo' part of the Indo-Pacific was there to encourage New Delhi's participation. However, since independence in 1947, participants said that India's security focus has been largely land-based. As a result, the Indian Navy, which is the leader on Indo-Pacific defence, is under-resourced in comparison to the army and air force.

Another constraint observed was that 'India is too slow'. Even for modest policies related to shipping, for example, decisions need to go through the MEA and then be vetted by national security, before going to the Ministry of Shipping. Participants said that all of the issues that complicated India's relations with international partners also frustrated India's internal strategic community. This included an understaffed MEA, a sometimes sclerotic if not outright obstructionist bureaucracy, and a vast array of vested interests both internal and external.

In spite of this, participants said, there was substantial activity on the 'Indo-Pacific file', with plans for even more. These activities included: improving maritime domain awareness, including in partnership with the US, Japan and France; using the Indian Navy to develop interoperability through a wide range of joint exercises (including with the US, Japan, Australia, Myanmar, Vietnam, Indonesia, Singapore, Thailand and a range of multinational exercises); creating regional partnerships through port access and/or logistics agreements (including with the US, Oman, Singapore, South Korea and Indonesia); the successful completion of Tiger Triumph, the first India-US air, sea, land exercise; capacity-building with countries in the region (including defence lines of credit for Vietnam, Seychelles, Mauritius and Bangladesh, as well as building naval capabilities with Seychelles, Sri Lanka, Myanmar and Mauritius); and fulfilling the role of net security provider, including with regional humanitarian

⁷⁹ Padmaja, G. (2018), *Revisiting 'SAGAR': India's Template for Cooperation in the Indian Ocean Region*, New Delhi: National Maritime Foundation, <https://www.maritimeindia.org/View%20Profile/636602941847320911.pdf>.

⁸⁰ Fanell, J. T. (2020), 'China's Global Navy Eyeing Sea Control 2030, Superiority 2049', Sunday Guardian Live, 13 June 2020, <https://www.sundayguardianlive.com/news/chinas-global-navy-eyeing-sea-control-2030-superiority-2049>.

⁸¹ Mishra, A. (2020), 'Pak turning Gwadar into open prison on China's order', Sunday Guardian Live, 19 December 2020, <https://www.sundayguardianlive.com/news/pak-turning-gwadar-open-prison-chinas-order>.

⁸² Roundtable, 'The Indo-Pacific: Geostrategic Perspectives 2019-24 – Workshop 4', Gateway House, Mumbai, India, 26 November 2019.

assistance and disaster relief operations (most recently in Yemen in 2018). One participant said that part of India's positioning was to make partners feel that 'if they think China is scary, India is reassuring'.

India and the Quad

The Quad was important to participants. There was a stated desire to expand aspects of the Quad to other like-minded countries (including possibly Indonesia, Vietnam and France), and to put more emphasis on the economic component. Economically, the perception was that there were two supply chains developing in the region, one driven by the US, and the other by China. China had successfully disrupted some of the US linkages, for example in Central Asia and through ASEAN.

One participant said that part of India's positioning was to make partners feel that 'if they think China is scary, India is reassuring'.

However, it was said, there was an opportunity for India to find 'plug points' for integration in the supply chains, especially the more 'organic' US supply chain – as opposed to China's state-driven chain – which could also act to reinforce Quad linkages. (For example, after China exerted political pressure on Australia by putting high tariffs on Australian barley imports, India stepped in to buy some of the crop.)⁸³

There was an acknowledgment that, at least in the medium term, India's maritime capacities were limited, and collaboration would be essential, possibly involving lend-lease type arrangements. For example, one interviewee motioned the benefit to both sides that was accrued from the free-of-cost transfer of the USS Trenton to the Indian fleet, noting that more such transfers of naval platforms (ageing to the US, but perfectly serviceable to India), would be a major step forward and would quickly increase Indian capacity to act as an effective partner.

India and Japan

While participants were nearly unanimous in saying that they thought the already strong India–US strategic relationship would continue to grow, and that relations would improve with Australia, there was a deeper, almost civilizational interest in partnering with Japan as another 'old' culture in the region. Additionally, Tokyo was perceived as willing to share knowledge and take on complex projects. For example, one participant said, 'Japan is active in the northeast of India whereas the British just come to Mumbai, make deals and leave.' It was added that Japan also appreciated India, as it was one of the few Asian countries where Japan had popular support.

⁸³ Heard, G. (2020), 'New 500,000 Barley Bonanza Tonne Market on Offer as India Opens its Door for Aussie Malt Barley', *The Rural*, 25 May 2020, <https://www.therural.com.au/story/6767986/barley-bonanza-as-india-opens-doors>.

France versus the UK in India's strategic outlook

Participants saw France as one of India's important partners, with close cooperation in science and technology, particularly on space. Indian private and public sector companies had good relations with French counterparts, and France was considered a major actor in the Indo-Pacific. The relationship was seen as largely politically risk-free, with no direct tensions, and was projected to grow even deeper.

This was in contrast to the near-unanimous agreement among participants that the India–UK strategic relationship would not grow stronger, at least in the short term. There was appreciation for the UK's naval presence in the Indian Ocean, and joint exercises.⁸⁴ However, while India had been told that the UK was ready to support the development of India's defence capabilities, those efforts remained 'underpowered', particularly on sharing high-end military technology. In that area, France was considered a more reliable partner. Reflecting a common perception, one participant said, 'the UK cannot have a successful Indo-Pacific strategy without a flourishing strategic relationship with India. Such a relationship has not yet been built.'

The Russia factor

Participants in India were the only ones to mention Russia as an Indo-Pacific power, noting its long Pacific coast, a coast that was India's main maritime entry point into the increasingly important Arctic. Soviet–Indian relations had been deep, and there was substantial residual nostalgia and technological cooperation, especially in high-tech defence. Some also said that Russia's role in areas of concern to New Delhi, such as the Middle East and post-US withdrawal from Afghanistan, would increase, leading to the necessity for collaboration. They knew Russia and China were growing closer strategically, and that China benefited from India–Russia relations as these created a wedge in India–US relations. Notwithstanding, the 'Russia lobby' in India is still strong.

Analysis

Until recently, India had the same issues with internal division, uncertainty and hedging as other countries, exacerbated by the strong influence of foreign arms lobbies. That noticeably changed following the June 2020 border conflict with China. Popular sentiment, already febrile because of an extended lockdown due to COVID-19, turned strongly against China.⁸⁵ As seen elsewhere, this amplified the influence of Indian policymakers, especially those in the defence and strategic communities, who wanted to shift away from China. A series of decisive actions

⁸⁴ Naval Today (2019), 'UK-Indian Navy Warships Meet Up for Exercise Konkan in English Channel', 16 August 2019, <https://navaltoday.com/2019/08/16/uk-indian-navy-warships-meet-up-for-exercise-konkan-in-english-channel>.

⁸⁵ Gettleman, J. (2020), 'Angers Surge in India Over Deadly Border Brawl with China', *New York Times*, 18 June 2020, <https://www.nytimes.com/2020/06/18/world/asia/india-china-border.html>.

took place, including banning Chinese apps on security grounds, restrictions on foreign direct investment, restrictions on visas for certain Chinese people, and a shift to a more forceful military strategy.⁸⁶

Additionally, Indo-Pacific partnerships in defence and economics became that much more important and urgent. This resulted in increased outreach from New Delhi to Indo-Pacific partners, in particular Quad members.⁸⁷ In some cases, it built on already strengthening ties, for example, the June 2020 joint declaration with Australia that the two countries were elevating their relationship to a comprehensive strategic partnership⁸⁸ and India's invitation to Australia to join it with Japan and the US for the Malabar military exercises. In other cases, the initiatives were new and responding to changing circumstances, such as the supply-chain resilience initiative with Japan and Australia.⁸⁹

It has also resulted in increased activity around the Quad, most visibly with the previously mentioned Quad vaccine diplomacy initiative, and some Indian analysts have even suggested a Quad headquarters be set up on India's Andaman Island.⁹⁰ There have been calls for an India-US 'alliance' – though not the sort of alliance 'recognized by lawyers' but the sort 'recognized by generals'.⁹¹ This took a leap forward when, in October 2020, India and the US signed the last of the four foundational defence agreements required by Washington for deep defence integration with New Delhi.⁹² India even reached out to the UK, most visibly with an invitation to Prime Minister Boris Johnson to attend India's 2021 Republic Day ceremonies as chief guest.⁹³

The tone in India has shifted substantially. However, existing lobbies still have substantial influence over some policymakers. Overt hedging has diminished, however, internal divisions, fuelled at times by outside backers, may still undermine India's unequivocal strategic realignment.

⁸⁶ Singh, D. (2020), 'Indian Offensive to Retake Chinese Seized Territory: The Hidden Story', Sunday Guardian Live, 6 September 2020, <https://www.sundayguardianlive.com/news/indian-offensive-retake-chinese-seized-territory-hidden-story>.

⁸⁷ Gateway House (2020), 'Quad or Squad?', 6 August 2020, <https://www.gatewayhouse.in/quad-or-squad-2>.

⁸⁸ Indian Ministry for External Affairs (2020), 'Joint Statement on a Comprehensive Strategic Partnership between Republic of India and Australia', 4 June 2020, https://www.mea.gov.in/bilateral-documents.htm?dtl/32729/Joint_Statement_on_a_Comprehensive_Strategic_Partnership_between_Republic_of_India_and_Australia.

⁸⁹ Ministry of Industry and Commerce (2020), 'Australia-India-Japan Economic Ministers' Joint Statement on Supply Chains Resilience', 1 September 2020, <https://pib.gov.in/PressReleasePage.aspx?PRID=1650387>.

⁹⁰ Chacko, S. (2020), 'Quad's Operations HQ Should be Andaman', Sunday Guardian Live, 11 July 2020, <https://www.sundayguardianlive.com/news/quads-operations-hq-andaman>.

⁹¹ Hudson Institute (2020), 'The Ladakh Standoff and the Next Phase of China-India Relations', Video Event, 11 September 2020, Hudson Institute, Washington, DC, <https://www.hudson.org/events/1856-video-event-the-ladakh-standoff-and-the-next-phase-of-china-india-relations92020>.

⁹² Indian's Ministry for External Affairs (2020), 'Joint Statement on Third India-US 2+2 Ministerial Dialogue', 27 October 2020, https://mea.gov.in/bilateral-documents.htm?dtl/33145/Joint_Statement_on_the_third_IndiaUS_2432_Ministerial_Dialogue.

⁹³ Business Today (2020), 'Boris Johnson first British PM in 27 years to be India's Republic Day chief guest', *Business Today*, 15 December 2020, <https://www.businesstoday.in/current/economy-politics/boris-johnson-to-be-india-republic-day-parade-chief-guest-first-british-pm-27-years/story/424967.html>.

06 Tonga and the Indo-Pacific

As with many smaller countries in the Indo-Pacific, Tonga is trying to deftly balance external pressures to achieve the maximum possible strategic independence.

Oceania's strategic context

Oceania covers around one-sixth of the planet's surface, and strategically is the front line between Asia and America. The area saw some of the hardest-fought battles of the Second World War, and is the location of critical military installations, including those on Guam.⁹⁴ It is dotted with an estimated 10,000 islands, composing more than 20 countries and territories, many independent, but some with political associations with larger nations such as the US, France, UK and New Zealand. As each habitable island can claim up to a 200-nautical mile exclusive economic zone,⁹⁵ some countries cover enormous areas.

From a Western strategic perspective, once US and UK interest in Oceania waned after the end of the Cold War, Five Eyes partners Australia⁹⁶ and New Zealand⁹⁷ 'kept watch' over the central and southern part of the region (often referred to as Melanesia and Polynesia, and including countries such as Papua New Guinea, Solomon Islands, Fiji and Samoa). The northern part (including the US Freely Associated States of Palau, the Marshall Islands and the Federated

⁹⁴ Military Installations (2020), *Joint Region Marianas – Naval Base Guam In-depth Overview*, <https://installations.militaryonesource.mil/in-depth-overview/joint-region-marianas-naval-base-guam>.

⁹⁵ United Nations (1982), *United Nations Convention on the Law of the Sea*, https://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf.

⁹⁶ Dorling, F. (2015), 'Top-secret documents reveal Australia targeting Indonesia, South Pacific mobile phone networks', *The Sydney Morning Herald*, 6 March 2015, <https://www.smh.com.au/technology/topsecret-documents-reveal-australia-targeting-indonesia-south-pacific-mobile-phone-networks-20150305-13vhrh.html>.

⁹⁷ Hager, N. and Gallagher, R. (2015), 'Snowden revelations / The price of the Five Eyes club: Mass spying on friendly nations', *nzherald.co.nz*, 4 March 2015, https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11411759.

States of Micronesia), still have substantial US engagement,⁹⁸ as well as growing Japanese engagement.⁹⁹

Tonga's Indo-Pacific policy development

The Oceania field research centred on Tonga for reasons outlined in the introduction. Tonga switched diplomatic recognition from Taiwan to China in 1998, reportedly following Beijing's support of Tonga's membership in the United Nations.¹⁰⁰ The government of Tonga has a substantial loan from China and has signed up to the BRI.¹⁰¹ There is continued Chinese interest in major infrastructure projects in the kingdom, including a 'slipway' (China is keen to develop ports across the region, potentially for dual use).

Tonga is a clear example of increased strategic interest in Oceania, with the UK reopening its diplomatic mission there, Japan stepping up military engagement, and the US offering the country a partnership with the Nevada National Guard.

The attention from China provoked reaction. Tonga is a clear example of increased strategic interest in Oceania, with the UK reopening its diplomatic mission there,¹⁰² Japan stepping up military engagement,¹⁰³ and the US offering the country a partnership with the Nevada National Guard.¹⁰⁴ In response to all the interest, Tonga is actively trying to protect its strategic autonomy, including by developing its first defence white paper.

Roundtable and interview summary¹⁰⁵

Tongan participants said that part of the value of increased Chinese interest was that it also brought increased interest from the US, UK, France, Japan and others. That surge in interest gave Tonga more options overall, allowing it to try to find

⁹⁸ US Army (2020), 'US Army demonstrates commitment to Palau following Defense Secretary visit', 11 September 2020, https://www.army.mil/article/238980/us_army_demonstrates_commitment_to_palau_following_defense_secretary_visit.

⁹⁹ Ministry of Foreign Affairs of Japan (2020), 'Japan-Palau (Basic data)', <https://www.mofa.go.jp/region/asia-paci/palau/data.html>.

¹⁰⁰ Latu, S. (2020), 'Tonga Needs Support from China as a Developing Country at the UN Security Council', Matangi Tonga Online, 3 February 2020, <https://matangitonga.to/2020/02/03/tonga-china-un-security-council>.

¹⁰¹ Baodong, W. (2019), 'Belt and Road Initiative: a promising path for China-Tonga joint development', Matangi Tonga Online, 24 April 2020, <https://matangitonga.to/2019/04/24/belt-and-road-china-tonga>.

¹⁰² UK government (2018), 'Foreign Secretary expands UK Commonwealth diplomatic network', 19 April 2018, <https://www.gov.uk/government/news/foreign-secretary-expands-uk-commonwealth-diplomatic-network>.

¹⁰³ Ministry of Foreign Affairs of Japan (2020), 'Japan-Tonga Relations (Basic Data)', <https://www.mofa.go.jp/region/asia-paci/tonga/data.html>.

¹⁰⁴ Fournier, D. (2014), 'Nevada National Guard joins forces with Tonga in State Partnership Program', Nevada National Guard, 16 April 2014, <https://www.nationalguard.mil/News/Article-View/Article/575627/nevada-national-guard-joins-forces-with-tonga-in-state-partnership-program>.

¹⁰⁵ Roundtable, 'The Indo-Pacific: Geostrategic Perspectives 2019–24 – Workshop 5', Royal Oceania Institute, Tonga, 18 February 2020.

the balance between partnerships and independence that would most benefit the Tongan people. To a certain degree, this approach was echoed in many of the smaller and medium-sized Indo-Pacific nations, which similarly considered themselves primarily as ‘balancers’ as opposed to ‘weights’.

The ‘China loan’

Tonga is one of the countries regularly referred to in other capitals as being a ‘victim’ of Chinese predatory loans. Tongan participants perceived it differently. When one Tongan participant wondered if the loan could negatively affect Tongan strategic independence, the response from another participant was that the way to deal with the loan was for Tongans to pay their taxes. What surfaced at the roundtable was that the Tongan tax collection system was inefficient. One particularly ineffective area of collection involved the estimated 90 per cent of the Tongan retail sector that is controlled by ethnic Chinese. The IT tax system the government was considering buying from the West was costly, at close to \$10 million. It was mooted that perhaps a cheaper system, from India for example, would be more viable (and even perhaps form part of development assistance). In other words, if the US or others were concerned about the strategic implications of Tonga’s China loan, they could help by providing affordable IT for tax collection. Participants said that partners often came in with their own ideas of what sort of ‘aid’ Tonga should have but rather it was this level of granular understanding of local needs that was necessary, if there were to be effective partnerships that enhanced domestic security and strategic independence.

Using Tonga to impress someone else

There was a perception that some countries wanted to use their self-declared access in Tonga to improve their positions with a third country. Specifically, Australia and New Zealand’s increased interest seemed to be largely reactions to growing Chinese interest and, by extension, a by-product of Canberra and Wellington’s relationships with Washington. When, for example, a group of Australians told Tongan policymakers they were there to help them with security, the perception was that actually Australia wanted closer security ties with Tonga to give Canberra leverage in its own relationship with Washington.

Similarly, the perception was that the UK return to Tonga, while welcome, was also linked to China, specifically amid concerns that Five Eyes partners Australia and New Zealand had ‘dropped the ball’ in Oceania, leaving an opening for the UK to return as a more valuable intelligence partner to the US – something that could enhance London’s post-Brexit position. UK outreach suited Tongan policymakers and strategists, as they preferred to work with what they perceived to be larger powers directly, be that London or Washington. However, it was also said that if the UK did not support the Pacific Islands’ priorities, such as climate change, this could weaken the relationship.

Tonga–US versus Tonga–China relations

Participants said that there were deep soft power and familial links between Tonga and the US, as well as increasingly strong Tonga–US ties in defence (the Tongan military served alongside the US in Iraq and Afghanistan). However, a point that came up repeatedly was that there was no permanent US diplomatic presence in Tonga. The lack of US diplomatic representation was perceived as a barrier to a range of potential areas of engagement, including business-to-business development, visa access, educational opportunities, exchanges of high-level visits, and security ties. Conversely, China had a very large embassy in the Tongan capital, provided easy access to visas, had Tongan-speaking staff, offered frequent training courses for Tongan government officials, and more besides.

In general, there was a strong desire on the Tongan side for closer, and broader, ties with the US. However, the perception was that, until the US ‘shows up’ by having a permanent representative in the country, Washington was not serious about Tonga. As one participant put it, ‘The question we ask the US is: “where are you?”’. Similar sentiments about the US were found in other countries in Oceania.

The value of having diplomatic representation

The difference that having a local diplomatic mission makes could be seen with the Tonga–Japan relationship. Japan has made Oceania a priority, and it has a full embassy in Tonga. There were said to be strong personal relationships between the Royal House of Tonga and the Imperial House of Japan, and each attended the other’s recent coronations.

Japanese influence was said to be subtle but evident in Tonga. The soroban¹⁰⁶ was taught in Tongan schools, with an annual nation-wide competition. Among participants, the training and scholarships offered by Japan were valued and Japanese development projects were considered to be some of the most efficient and well-targeted in the country. They included projects that might otherwise have involved Chinese companies and loans, such as the capital’s main ferry terminal, an inter-island ferry, upgrades to the main hospital, and state-of-the-art solar power systems. In that way, while Japan’s engagement seemed apolitical, it functioned to obviate a political issue.

Role as a ‘balancer’

As a ‘balancer’, the perception was that Tonga’s future was partly determined by the actions of others. In the absence of a major engagement by the US or an expanded one by Japan (or a new partner such as India), participants foresaw being increasingly pressured to choose between economic and security ‘integration’ with Australia and New Zealand, or alignment with Beijing. Neither option appealed to participants.

Participants were actively looking for other ways to bolster Tongan strategic independence. In this context, they were most interested in the potential for

¹⁰⁶ Japanese abacus.

growing relations with India. The perception was that India is linguistically and culturally compatible and at a similar economic level to Tonga but, being larger, had made advances in areas that would benefit Tonga, including climate change adaptation and resilience. It was seen as cheaper than the West, and more culturally compatible than China. Already, Tonga has sent patients to India for healthcare and was involved in the International Solar Alliance, and participants were pleased with both. A participant involved in humanitarian assistance said that if he asks Australia or New Zealand for tents, three months later they will arrive in Tonga with the labels 'made in India'.

The barriers to developing the relationship with India have been mainly caused by limited direct engagement. There is no effective Tongan diplomatic representation in India and no Indian representation in Tonga.

To date, the barriers to developing the relationship with India have been mainly caused by limited direct engagement. There is no effective Tongan diplomatic representation in India and no Indian representation in Tonga. However, it was a growing priority for Tongan participants. Their strategic assessment was that strong Tonga–India relations might seem to undercut some of the economic primacy of Australia and New Zealand, and would likely provoke pushback from Canberra and Wellington as they were trying to put in place trade agreements that would privilege Australian and New Zealand access.¹⁰⁷ The Tongans hoped it would be realized that deeper economic engagement with other more compatible economies such as India would loosen China's economic grip on Tonga, contributing to overall regional security.

Analysis

Tongan policymakers are pragmatic and view the increased jostling for influence in Tonga largely to their advantage for the moment. While there is some internal division over engagement with China, there are also divisions over engagement with Australia and New Zealand. However, policymakers are used to adapting to changing geopolitics and so are less concerned with uncertainty. While not exactly hedging, they are keeping their options open, and are hoping that increased interest in the Indo-Pacific will result in more engagement from the US, Japan, UK and especially India.

China is deeply embedded in many of the countries of Oceania, including Tonga. However, COVID-19 resulted in the closing of many borders in the region and slowed the strategic push from established actors including China, Australia and New Zealand. This has left an opening for new policies and new partners

¹⁰⁷ Paskal, C. (2018), 'Australia and New Zealand Must Rethink Their Approach to Pacific Trade', Chatham House Expert Comment, 23 October 2018, <https://www.chathamhouse.org/2018/10/australia-and-new-zealand-must-rethink-their-approach-pacific-trade>.

(including perhaps the US and Japan) to come to the fore, especially around areas of core importance to the region such as climate change adaptation, transport, communication, energy and trade.

If there is a genuine attempt to understand the perceptions and operational realities of the region, there is an opportunity to enhance domestic economic and human security in the nations of Oceania, leaving them more able to withstand external pressures. Conversely, if current trends continue unabated, the countries of Oceania will find it harder and harder to maintain their balanced position, and some are likely to tip into Beijing's camp.

07

Japan and the Indo-Pacific

Japan, on the strategic front line, is trying to use a range of mechanisms, including economic levers, to maintain its security.

Japan's Indo-Pacific policy development

As a trading island nation, Japan's maritime focus did not disappear after the Second World War, it just demilitarized. Following the war, the country developed a world-leading commercial shipbuilding industry and fisheries sector. It largely had no cause to be directly concerned about maritime security as it was sheltered by the *Pax Americana* and was constitutionally constrained. However, in the last few decades, as a result of feeling increasingly hemmed in by China's maritime expansion, Japan has rethought its place in the region, and in the process has contributed to reshaping global perceptions.

Japan is often credited with jump-starting the Indo-Pacific concept with the 2007 'Confluence of the Two Seas' speech given by then Prime Minister Abe to the Indian parliament in 2007.¹⁰⁸ While there was a lag in Japanese institutional follow-up (Abe lost power soon after), the conceptualization gave an intellectual shape to an evolving strategic reality. After Abe's return as prime minister in 2012, there began to be more of a structural focus in Tokyo on his vision of an FOIP,¹⁰⁹ including in June 2020 establishing a team in the Ministry of Defence to look at Indo-Pacific affairs. This firmly established the vision as an approach that could survive changes of administrations, as have since occurred in Japan and the US.¹¹⁰

¹⁰⁸ Abe (2007), 'Confluence of the Two Seas'.

¹⁰⁹ Abe, S. (2016), 'Address by Prime Minister Shinzo Abe at the Opening Session of the Sixth Tokyo International Conference on African Development (TICAD VI)', speech, 27 August 2016, https://www.mofa.go.jp/afr/af2/page4e_000496.html.

¹¹⁰ Nikkei Asia (2020), 'Japan Sharpens Focus on the Indo-Pacific with New Defense Post', Nikkei Asia, 26 June 2020, <https://asia.nikkei.com/Politics/International-relations/Japan-sharpens-focus-on-Indo-Pacific-with-new-defense-post>.

In their first call, both Prime Minister Yoshihide Suga and then US President-elect Joe Biden reaffirmed their commitment for their countries to work together in the Indo-Pacific.¹¹¹

A core element of Japan's Indo-Pacific strategy is economic, in particular identifying and expanding cross-cutting sectors that allow Tokyo to displace China while creating regional security. Two of those sectors are energy and infrastructure.

The energy sector strategy is well developed, and combines multiple elements, incorporating: the Trump administration's request for Japan to reduce the US–Japan trade imbalance; Tokyo's assumption that liquefied natural gas (LNG) will become more important in the Indo-Pacific, especially as a lower-carbon alternative to coal; the concern that countries could become dependent on China for energy shipments and/or control of critical energy infrastructure; and the desire to keep sea lanes free and open not only for Japan, but for the region.¹¹²

A core element of Japan's Indo-Pacific strategy is economic, in particular identifying and expanding cross-cutting sectors that allow Tokyo to displace China while creating regional security.

These elements prompted a policy decision that Japan should focus on becoming a key LNG supply hub for the region. That would allow it to buy LNG from the US and diminish the trade imbalance, provide regional consumers with an alternative to China, support Japanese shipbuilding, and improve markets for Japanese LNG technology and technicians. It would also give all those involved a vested interest in keeping sea lanes open and, if the worst happened, it would give Tokyo the ability to recall the merchant fleet (with its LNG supply still onboard) to supplement Japan's strategic reserve.¹¹³

The policy was formalized during Trump's November 2017 visit to Japan, when the two leaders launched the Japan–United States Strategic Energy Partnership (JUSEP),¹¹⁴ considered by Tokyo an important plank in the FOIP strategy. Since then, Japan and its private sector have spent around \$10 billion and have committed to investing or financing \$10 billion more in energy supply chains, mostly in the Indo-Pacific.¹¹⁵ The effect has already been seen. In 2016, Japan imported 11.14 billion cubic feet of LNG from the US; in 2019 it was 201 billion cubic feet.¹¹⁶

¹¹¹ Toshimitsu, M. (2020), 'Press Conference by Foreign Minister MOTEGI Toshimitsu', press conference, 13 November 2020, https://www.mofa.go.jp/press/kaiken/kaiken3e_000028.html.

¹¹² Interviews with policy analysts, who were interviewed on condition of anonymity, Tokyo, March 2020.

¹¹³ Ibid.

¹¹⁴ The White House (2017), 'President Donald J. Trump's Summit Meeting with Prime Minister Shinzo Abe of Japan', statements and releases, 6 November 2017, <https://trumpwhitehouse.archives.gov/briefings-statements/president-donald-j-trumps-summit-meeting-prime-minister-shinzo-abe-japan>.

¹¹⁵ Reuters (2019), 'Japan to invest 10 billion in global LNG infrastructure projects: minister', 26 September 2020, <https://www.reuters.com/article/us-japan-lng-conference-meti/japan-to-invest-10-billion-in-global-lng-infrastructure-projects-minister-idUSKBN1WB050>.

¹¹⁶ US Energy Information Administration (2020), 'Natural Gas – U.S. Natural Gas Exports and Re-Exports by Point of Exit', release date 30 October 2020, https://www.eia.gov/dnav/ng/ng_move_poe2_dcu_NUS-NJA_a.htm.

A major part of JUSEP was Japan's other focus area for the Indo-Pacific: infrastructure – an acknowledged national security issue, but one that Japan could be involved with 'peacefully'. Japan has a good reputation for building high-quality regional infrastructure. The goal is to increase its sustainable, transparent and well-built competition to Chinese proposals, including in collaboration with partners. To build its Indo-Pacific presence, Japan is willing to finance seemingly riskier and larger projects, such as Indonesia's Jawa 1 LNG-to-power project.¹¹⁷ This economic approach is innovative and potentially effective, however, there are still gaps in Japan's hard power capabilities.¹¹⁸

Roundtable and interview summary¹¹⁹

Japan Self-Defense Forces

According to interviewees, Japanese political leaders have had an uneasy relationship with the Self-Defense Forces. The military is poorly paid,¹²⁰ with little effective interoperability, either among its own branches or with its closest ally, the US. There was frustration on the part of some participants at the lack of political support for an effective self-defence force, one that could at least engage in complex humanitarian assistance and disaster relief operations. One participant said, 'Japan can't even war-game about Taiwan [a Japanese priority]. If Taiwan becomes an issue, it's 95 per cent the US, but we don't even know how to support it.' An exception was the Japan Maritime Self-Defense Force, which worked well with the US Navy; however, it was said that such an exception only went to show that it could be done when the will was there.

The Quad

One reason why many in Japanese defence 'loved' the Quad was that it provided external motivation and support for action to fix deficiencies in Japan's military. That said, Tokyo's bilateral relationships with the other 'Quaddies' were described as substantially different from each other. The relationship with Australia was said to be sound, though the relationships with the US and India were a greater focus for Tokyo.

Japan-US strategic relationship

Underlining the importance of Washington to Tokyo, one participant said, 'the basic strategy of Japan is: the Japan-US relationship'. The relationship was considered deep and durable. There was general agreement that the US shift of focus to the

¹¹⁷ Japan Bank for International Cooperation (2018), 'Project Financing for Jawa 1 Gas-to-Power Project in Indonesia', press release, 22 October 2018, <https://www.jbic.go.jp/en/information/press/press-2018/1022-011485.html>.

¹¹⁸ Newsham, G. (2019), 'How to Secure Japan? Put Premium on JSDF Personnel more than Hardware', Japan Forward, 6 March 2019, <https://japan-forward.com/how-to-secure-japan-put-premium-on-jsdf-personnel-more-than-hardware>.

¹¹⁹ Field research, Indo-Pacific Studies Group, Japan, 24 February – 8 March 2020.

¹²⁰ Newsham, G. (2019), 'How to Secure Japan? Put Premium on JSDF Personnel more than Hardware', Japan Forward, 6 March 2019, <https://japan-forward.com/how-to-secure-japan-put-premium-on-jsdf-personnel-more-than-hardware>.

Indo-Pacific would survive a change of administration in Washington, though the Trump administration was seen as the first to effectively confront China, giving Japan more room, and more impetus, to push back itself.

Japan's growing ties with India

India was considered as 'very important' to Japan. The perception at the roundtable was that this view was reciprocated, with one participant saying that India's first '2+2' dialogue was with the US, but its second was with Japan. Also, there are religious and historical linkages.¹²¹ However, in part due to India's bureaucracy, working with India was described as 'tough'.

India was considered as 'very important' to Japan. The perception was that this view was reciprocated, with one participant saying that India's first '2+2' dialogue was with the US, but its second was with Japan.

At the roundtable, there was a strong desire to grow the strategic and economic relationship, which already included regular joint and trilateral military exercises and, separately, engagement via the Quad. Additionally, there was increased interest in regional infrastructure development cooperation, some with potential strategic undertones.¹²² Participants saw that as a model to expand upon.

Economics as strategy: digital

Participants noted that a strong element of Japanese strategic calculations in the Indo-Pacific involved economic levers. Three elements of that economic strategy were highlighted: energy, infrastructure (both addressed above) and digital.¹²³

The digital environment summarized some of the other challenges that Japan's Indo-Pacific strategy is attempting to address. The concern expressed was that China, and to a degree Russia, were distorting the economics around products such as 5G for commercial and strategic gain, and that Beijing was trying to set new rules and norms. Interviewees considered China a leader in cyber, electronic and space warfare; one said that 'China could kill GPS right now if it wanted'.

Another interviewee noted, 'If Japan and Western countries don't work with ASEAN, China will provide ASEAN countries with telecoms, smart cities, surveillance. That's a world we don't want to see.' Participants were hoping to collaborate

¹²¹ One of these is the Indian judge Radhabinod Pal, who was the sole justice at the post-Second World War International Military Tribunal for the Far East in Tokyo to argue for all defendants to be acquitted.

¹²² Nikkei Asia (2019), 'Japan and India to develop Colombo port, countering Belt and Road', 20 May 2019, <https://asia.nikkei.com/Politics/International-relations/Japan-and-India-to-develop-Colombo-port-countering-Belt-and-Road>.

¹²³ The White House (2018), 'U.S.-Japan Joint Statement on Advancing a Free and Open Indo-Pacific Through Energy, Infrastructure and Digital Connectivity Cooperation', statements and releases, 13 November 2018, <https://trumpwhitehouse.archives.gov/briefings-statements/u-s-japan-joint-statement-advancing-free-open-indo-pacific-energy-infrastructure-digital-connectivity-cooperation>.

with like-minded partners to develop transparent, rules-based digital growth, something seen as all the more important as countries were more willing to turn away from Chinese companies such as Huawei due to their perceived security risks. Participants considered Japan a leader in fibre optics but also said that it was critically weak in cybersecurity,¹²⁴ and would need to work with partners to bolster those defences.

Japan's Oceania focus

Geographically, along with ASEAN, participants repeatedly said that Oceania was a major priority for Japan. Within Oceania, Japan's primary focus is Palau, followed by Papua New Guinea, Fiji and Tonga (the three countries in Oceania with militaries).¹²⁵ Japan is well-represented across the region, with eight embassies, and a new one opening in Vanuatu.

The major driver of Japan's increased engagement with Oceania is China's rapid advancement in the area. One interviewee said that Japan knew from its own history how strategic the area can become in case of conflict between Asia and America. Japan's goal is to provide the countries of Oceania with financial, infrastructure and developmental options that enable enough national independence to forestall being inundated with Chinese loans and investment, and instead to help them to become supporters and beneficiaries of FOIP. At the roundtable, the perception was that Oceania needed reassurance that changing politics in other capitals, such as Washington or Canberra, would not leave them to fend for themselves in the face of a rapacious Beijing.

Japan's goal is to provide the countries of Oceania with financial, infrastructure and developmental options that enable enough national independence to forestall being inundated with Chinese loans and investment.

To that end, Tokyo has engaged in large-scale (by Oceania standards) aid projects to build schools, airports, ports, solar power systems, desalination plants, and to help with disaster resilience and recovery, among others. It has been responsive to partners, as it showed when it funded the construction of the Pacific Climate Change Center in Samoa, addressing a regional priority perceived to be of less interest to Washington and Canberra.¹²⁶

¹²⁴ *The Asahi Shimbun* (2020), 'Mitsubishi Electric attack likely stole data on new missile', 20 May 2020, <http://www.asahi.com/ajw/articles/13388776>.

¹²⁵ Ministry of Foreign Affairs of Japan (2019), 'Foreign Minister Kono's Attendance at ASEAN-related Foreign Ministers' Meetings and Visits Bangladesh, Myanmar and Pacific Islands', 8 August 2019, https://www.mofa.go.jp/a_o/rp/page3e_001051.html.

¹²⁶ Japan International Cooperation Agency (2017), 'Signing of Grant Agreement with Samoa: Building a Pacific Climate Change Center as a contribution to the training of human resources in the climate change field', press release, 20 February 2017, https://www.jica.go.jp/english/news/press/2016/170220_01.html.

There is also substantial defence cooperation, which is increasing. Before COVID-19 caused its postponement, a meeting was planned that would have included the defence ministers of Papua New Guinea, Fiji and Tonga for the first time.¹²⁷ In August 2019, Japan's then foreign minister, Taro Kono, visited Palau, Micronesia, Marshall Islands and Fiji. Tokyo has also hosted the summit-level Pacific Islands Leaders Meeting (PALM) every three years since 1997 (PALM 9 will be in 2021),¹²⁸ and in 2019 established a Committee for the Promotion of Cooperation with Pacific Island Countries consisting of more than a dozen ministries and agencies, under the Prime Minister's Office. All participants said that Japan's focus on the region would likely only increase.

Analysis

As in other countries, there are domestic divisions in Japan. While the country's defence and strategic communities are clearly concerned about Beijing, its businesses are heavily invested in China, muting some elements of strategic response. However, China's handling of the COVID-19 crisis served as a shock to the system, spurring the Japanese government to announce funding for Japanese companies that wanted to shift their supply chains out of China,¹²⁹ as well as engaging with the previously mentioned supply-chain resilience initiative with India and Australia. The long-term repercussions of a loss of trust in China as a sound economic investment could substantially affect Japan's positioning, and could reduce uncertainty and hedging.

There are signs that, as in other countries, the concerns of the defence and strategic communities are gaining more weight. On the defence front, things are moving quickly. In August 2020, Japan held joint training exercises with the US military.¹³⁰ In September 2020, Japan and India agreed a military logistics pact¹³¹ and to advance defence cooperation.¹³² Unless China suddenly stops its aggressive expansion, especially in the South and East China Seas, it is possible that Japan will increasingly line up with its allies and partners in a stronger, rounded stance against Beijing. However, it is also possible that domestic economic and political lobbies will successfully weaken any effective pushback on China.¹³³ Much will depend on the direction taken by Washington, and how that affects Tokyo.

¹²⁷ RNZ (2020), 'Pacific defence ministers invited to Japan', 23 January 2020, <https://www.rnz.co.nz/international/pacific-news/408007/pacific-defence-ministers-invited-to-japan>.

¹²⁸ Ministry of Foreign Affairs of Japan (2020), 'Pacific Islands Leaders Meeting (PALM)', 20 October 2020, <https://www.mofa.go.jp/region/asia-paci/palm/index.html>.

¹²⁹ Ministry of Finance of Japan (2020), 'Overview of the Supplementary Budget for FY2020', <https://www.mof.go.jp/english/budget/budget/fy2020/02.pdf>.

¹³⁰ Johnson, J. (2020), 'Japan and U.S. militaries complete multiple joint air and sea exercises', *The Japan Times*, 19 August 2020, <https://www.japantimes.co.jp/news/2020/08/19/national/japan-us-military-joint-exercises-china>.

¹³¹ Kyodo (2020), 'Japan and India Sign Military Supply Sharing Pact', *The Japan Times*, 10 September 2020, <https://www.japantimes.co.jp/news/2020/09/10/national/japan-india-sign-military-supply-sharing-pact>.

¹³² *Times of India* (2020), 'India, Japan agree to advance defence cooperation to realise Free and Open India-Pacific', 14 September 2020, <https://timesofindia.indiatimes.com/india/india-japan-agree-to-advance-defence-cooperation-to-realise-free-open-india-pacific/articleshow/78109406.cms>.

¹³³ Newsham, G. (2020), 'Why Japan may cede the Senkakus to China', *Asia Times*, 12 August 2020, <https://asiatimes.com/2020/08/why-japan-may-cede-the-senkakus-to-china>.

Box 1. China's perceptions of the Indo-Pacific

By Dr Yu Jie

This section is based on a series of structured surveys and face-to-face interviews conducted in Mandarin in Beijing and Shanghai in October 2019 with prominent Chinese scholars.

China-US/Quad outlook

At the time of the interviews, all the scholars offered grim assessments of Sino-US relations. In relation to the Quad, most security and defence experts suggested that the US would offer nominal support in the hope that the idea of 'interoperability' would be applied – i.e. that the Quad could act in a coordinated manner to counter China's ever-increasing presence in the region. Over the longer term, the US Navy would keep its focus in the West Pacific due to geographic and logistical constraints. The perception of the interviewees was that there was so far no sufficient military base to support the US Navy logistically as required in the Indo-Pacific region.

All the Chinese scholars interviewed agreed that the likelihood of 'kinetic conflicts' occurring in the Indo-Pacific by 2024 was extremely high, yet they disagreed about the anticipated scale of such conflicts. Those who were well-versed on maritime security were of the view that there was a low risk of a full-fledged military conflict between China and the Quad, but that smaller-scale disputes were likely to be very frequent. However, such disputes would largely depend on how the relationship between Beijing and Washington developed. The more strained that bilateral relations became, the more frequent such smaller-scale kinetic conflicts were likely to be.

However, other scholars pointed out that the real frontier of great power competition lay in the technology race, in particular with quantum computing and artificial intelligence (AI). What happens in the Indo-Pacific region in terms of the development and use of AI was seen as a reflection of great power competition. China was considered to be at the stage of developing a military vessel that was a hybrid of an amphibious ship and aircraft carrier, operated with quantum computing.

Viability of UNCLOS

The United Nations Convention for the Law of the Sea (UNCLOS) remained a bone of contention between China and the wider international community. Disputes of this nature have also extended into the Indo-Pacific region. During the interviews, all the scholars suggested that UNCLOS no longer reflects the reality of the current international maritime regime. Some scholars with a strong military background took a Hobbesian view of the international order, a view that is also highly popular in the upper echelons of the Chinese Communist Party. Those scholars strongly believed that UNCLOS would no longer be valid by 2024. Other foreign policy experts interviewed proposed a moderation of UNCLOS, to make it fit-for-purpose. Both schools of thought concurred that it was China's intention to be more proactive in establishing itself as a maritime powerhouse that can shift the regional balance of power.

Economic outlook

During the interviews, most scholars were pessimistic about the outlook for the Chinese economy. They believed that there would be great difficulties in sustaining growth at current levels. Some suggested that China's GDP growth would fall below 4 per cent by 2024, due both to its strained relationship with the US and China's own transformation into an economy based on domestic consumption.

There was no doubt among scholars that the size and growth of China's domestic economy was continuing to determine the country's strategic reach. In particular, it was said that Beijing would continue to stress the importance of regional economic integration with its East Asian neighbours and would engage further with resource-rich Global South countries. The scholars interviewed were more enthusiastic about pushing ahead with the Regional Comprehensive Economic Partnership (RCEP), rather than pursuing some sort of Indo-Pacific common market. Many scholars insisted that the 'Indo-Pacific' was a military alliance concept, not an economic one. This assessment has become even more prevalent since COVID-19 emerged.

Humanitarian assistance and disaster relief

Many Chinese scholars saw Beijing as a major player in terms of humanitarian assistance and disaster relief and stressed that Chinese naval and coast guard forces have a proven track record of efficiency and effectiveness. The assessment was that China would extend its humanitarian assistance and disaster relief to smaller states within the Indo-Pacific, but that doing so might raise eyebrows in the US and Australia.

The perception was that humanitarian assistance and disaster relief was an area where China could fill the void left by the US in the region. As some scholars argued, 'the Trump administration treated its Indo-Pacific alliance members merely as a market for military sales and looked for short-term monetary return, not a place to exhibit the US's hegemonic responsibilities to protect its regional allies'. Interviewees also said that Beijing would play an even greater role in fighting terrorism and piracy in the region, partly due to China's increasing economic activities across various continents, and partly due to the necessity of putting the Chinese Navy in action mode. Other possible regional engagement areas mentioned for China were clean water and medical equipment supply.

08 Conclusion

COVID-19 accelerated timelines in regard to China and the Indo-Pacific, which resulted in decreased internal divisions, more certainty and less hedging, creating the possibility of deeper, more effective partnerships.

COVID-19 and China's strategic push

The field research for this paper ended at the start of March 2020, just as the severe global, political, social and economic effects of COVID-19 were gaining momentum. Each of the six countries has since responded to the pandemic in their own way, from India going for a complete lockdown to Tonga closing its international borders for months. At the same time, China has pushed ahead with its strategic agenda. It passed Hong Kong security legislation,¹³⁴ launched major military exercises overtly designed to train for an invasion of Taiwan,¹³⁵ and increased activity, both on the India–China border (fatally) and in the East and South China Seas.¹³⁶

Revisiting domestic divisions, uncertainty and hedging

The combined effect of the national responses to COVID-19 was a shift in the three consistent themes that surfaced during the roundtables and interviews – namely, domestic divisions, uncertainty and hedging. In terms of domestic divisions, China's actions amplified the concerns of, among others, the technology, defence, intelligence and security communities. Those concerns contributed to creating more certainty about positioning with regard to China, which has resulted in reduced

¹³⁴ BBC News (2020), 'Hong Kong security law: What is it and is it worrying?', 30 June 2020, <https://www.bbc.com/news/world-asia-china-52765838>.

¹³⁵ Hille, K. (2020), 'Taiwan claims 'severe provocation' after China military drills', *Financial Times*, 10 September 2020, <https://www.ft.com/content/9bf1c039-3222-4aa7-be37-6f01afc41ef2>.

¹³⁶ Chaudhury, D. R. (2020), 'Chinese Aggression in South China Sea and East China Sea Face Strong Pushback', *The Economic Times*, 24 April 2020, <https://economictimes.indiatimes.com/news/defence/chinese-aggression-in-south-china-sea-east-china-sea-face-strong-pushback/articleshow/75344181.cms>.

hedging. All the elements were in place before COVID-19 emerged, but the virus and its handling accelerated the time scale and created a strategic environment that is now much more resolute about China.

Specifically, in the case of domestic divisions, the main argument during the interviews and roundtables for a cooperative policy towards China had been economic. For example, in the cases of the US, France and Japan, there was reliance on China for supply chains. In the UK there was also major Chinese investment in the City of London. In parts of Oceania there was Chinese tourism.

The pandemic has had such a severe economic effect in all six countries that the cost of some sort of ‘decoupling’ from China can appear relatively minor in comparison.

The pandemic has had such a severe economic effect in all six countries that the cost of some sort of ‘decoupling’ from China can appear relatively minor in comparison.¹³⁷ It seems less of an issue to rock the economic boat if that boat is already sinking.¹³⁸ As a result, the policy approach of treating China with more caution led by the defence and strategic communities gained traction, and there has been an introduction of economic policies that would have been unthinkable at the start of this research project. The US government, for example, invoked the Defense Production Act, stripped Hong Kong of its special economic status, and cancelled plans to invest billions of dollars of a US federal pension fund in Chinese markets.¹³⁹

In terms of uncertainty, a rise in popular anger at China over its handling of the COVID-19 outbreak and subsequent actions¹⁴⁰ has made it much less politically viable in the six countries (all democracies) to be seen as being ‘soft’ on China. It is likely that a competition over which political parties are the ‘toughest’ on China will become election talking points at least in the near term. This played out recently in the US, with Republicans and Democrats alike vying to be seen as standing up to China.¹⁴¹ So, while governments may change, the dominant factor shaping Indo-Pacific engagement – a country’s strategic view on China – seems more certain.

¹³⁷ Jackson, J. K., Weiss, M. A., Schwarzberg, A. B., Nelson, R. M., Sutter, K. M., and Sutherland, M. D. (2020), *Global Economic Effects of Covid-19*, Congressional Research Center, <https://fas.org/sgp/crs/row/R46270.pdf>.

¹³⁸ The World Bank Group (2020), *Global Economic Prospects: June 2020*, Washington, DC: World Bank, <https://openknowledge.worldbank.org/bitstream/handle/10986/33748/9781464815539.pdf>.

¹³⁹ Swanson, A. (2020), ‘Federal Retirement Fund Halts Planned China Investment Under Pressure’, *New York Times*, 13 May 2020, <https://www.nytimes.com/2020/05/13/business/economy/china-tsp-federal-retirement-fund.html>.

¹⁴⁰ Silver, L., Devlin, K. and Huang, C. (2020), ‘Americans Fault China for Its Role in the Spread of COVID-19’, Pew Research Center, https://www.pewresearch.org/global/wp-content/uploads/sites/2/2020/07/PG_20.07.30_U.S.-Views-China_final.pdf; Chellaney, B. (2020), ‘China’s expansionism enters dangerous phase’, *The Japan Times*, 25 August 2020, <https://www.japantimes.co.jp/opinion/2020/08/25/commentary/world-commentary/china-expansionism>; Anand, S. (2020), ‘India’s China Border Face-Off Fuels a Wallet War’, *U.S. News*, 29 June 2020, <https://www.usnews.com/news/best-countries/articles/2020-06-29/rising-anti-china-sentiment-in-india-targets-consumer-products>; Oertel, J. (2020), ‘China, Europe, and covid-19 headwinds’, ECFR, https://www.ecfr.eu/article/commentary_china_europe_and_covid_19_headwinds.

¹⁴¹ Rogin, J. (2020), ‘Coronavirus is turning Americans from both parties against China’, *Global Opinions*, *Washington Post*, 8 April 2020, <https://www.washingtonpost.com/opinions/2020/04/08/coronavirus-crisis-is-turning-americans-both-parties-against-china>.

The overall result is that the window for hedging – balancing the US and China for better domestic positioning – is closing. Countries are being forced to pick a side. Even the ever-elusive France is talking about backing away from Huawei, a bellwether issue.¹⁴² (However, it is still allowing Huawei to build a manufacturing plant in eastern France.¹⁴³)

The age of allies and partners

As defence, security and intelligence concerns gain traction domestically, and there is less uncertainty and hedging about China, the world is potentially entering a new era of alliances and partnerships. For example, at the start of the field research, the UK permitted the use of Huawei equipment in its telecommunications backbone in spite of security concerns and the potential effect on its relationship with the US. By the end of the research phase, London was proposing a D10 alliance of democracies – the G7 members plus India, South Korea and Australia – to create a 5G competitor to Huawei.¹⁴⁴

In July 2020, US Secretary of State Mike Pompeo called for a ‘new grouping of like-minded nations, a new alliance of democracies’ to face the challenge of China.¹⁴⁵ In his first post-election call with India’s Prime Minister Narendra Modi, then President-elect Joe Biden expressed his desire to ‘strengthen and expand the U.S.-India strategic partnership’ and specifically mentioned ‘maintaining a secure and prosperous Indo-Pacific’.¹⁴⁶ The focus is expected to continue and deepen.¹⁴⁷

Across the six countries, there is a stated desire to work more closely with like-minded partners, though there are still varying degrees of concern about being seen to be ‘anti-China’, at least economically. In this case, Tonga is likely representative of many smaller countries that still do not have enough alternative economic supports in place to risk being seen as antagonistic towards China.

China is trying to use this leverage to put in place partnerships of its own, especially around economics, for example, the RCEP trade agreement that includes among others Australia, New Zealand and Japan. India conspicuously stayed out of the RCEP, citing concerns over the potential for Chinese dumping into the Indian market.¹⁴⁸ There are also questions about RCEP’s actual reach and effectiveness,

¹⁴² Rosemain, F. (2020), ‘Bouygues to remove 3,000 Huawei mobile antennas in France by 2028’, *The Guardian* (Saltwire Network Publication), 27 August 2020, <https://www.theguardian.pe.ca/business/reuters/bouygues-to-remove-3000-huawei-made-mobile-antennas-in-france-by-2028-deputy-ceo-489789>.

¹⁴³ RFI (2020), ‘Huawei to build 5G network equipment factory in France despite curbs’, 18 December 2020, *Radio France Internationale*, <https://www.rfi.fr/en/france/20201218-huawei-to-build-network-production-factory-in-eastern-france-china-5g>.

¹⁴⁴ Fisher, L. (2020), ‘Downing Street Plans New 5G Club of Democracies’, *The Times*, 29 May 2020, <https://www.thetimes.co.uk/article/downing-street-plans-new-5g-club-of-democracies-bfnd5wj57>.

¹⁴⁵ Pompeo (2020), ‘Communist China and the Free World’s Future’.

¹⁴⁶ Biden-Harris Transition (2020), ‘Read-out of the President-elect’s Foreign Leader Calls’, press release, 17 November 2020, <https://buildbackbetter.gov/press-releases/readout-of-the-president-elects-foreign-leader-calls-2>.

¹⁴⁷ Grossman, D. (2020), ‘US Election Won’t Dramatically Alter Indo-Pacific Strategy’, *Nikkei Asia*, 1 November 2020, <https://asia.nikkei.com/Opinion/US-election-won-t-dramatically-alter-Indo-Pacific-strategy>.

¹⁴⁸ Chellaney, B. (2020), ‘The China Factor Behind India’s Pullout from the RCEP’, *China–US Focus*, 4 February 2020, <https://www.chinausfocus.com/finance-economy/the-china-factor-behind-indias-pullout-from-rcep>.

especially as many of the countries involved already have bilateral free-trade agreements, and some clauses of the RCEP do not include dispute mechanisms, making them unenforceable.¹⁴⁹

Meanwhile, a range of ideas for effective cooperation among democracies is being put forward, for example, expanding the Five Eyes to include Japan.¹⁵⁰ Another proposal that is gaining momentum originated from Indian strategists.¹⁵¹ It is for an Indo-Pacific Charter, along the lines of the 1941 Atlantic Charter signed by US President Franklin Roosevelt and UK Prime Minister Winston Churchill. The Atlantic Charter was not a formal treaty. It had eight points to ‘make known certain common principles in the national policies of their respective countries on which they base their hopes for a better future of the world’.¹⁵² Those points included that ‘countries seek no aggrandizement, territorial or other’ and ‘they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them’. The Atlantic Charter became one of the guiding documents for the establishment of the United Nations¹⁵³ and NATO.¹⁵⁴

The current proposal for an Indo-Pacific Charter seeks to address many of the same areas, including respecting the rights of all people to choose their form of government (i.e. Taiwan). But it adds updated elements such as sovereign control over data (a critical defence issue as concerns mount over China’s use of metadata to refine weaponized AI)¹⁵⁵ and the formation of a space security council.¹⁵⁶

An understanding of varying perceptions, some examples of which came up in the field research, would be essential in the discussions around the points for a new charter, and how to initiate it. For example, given the issues brought up in the roundtables and interviews around persistent sensitivities about perceived colonial attitudes, a starting point might be to have India and Japan take the lead in consultation with the Quad and regional partners, and then broaden it out to other signatories.¹⁵⁷ Another perception sensitivity that could be addressed by an Indo-Pacific Charter is that countries of any size are considered as full members. Tonga could sign as proudly as India – and while it could not wield the same economic weight, it could perhaps lead in charter areas where it is a leader, such as freedom of worship.

¹⁴⁹ Huang-Shing, Y. (2020), ‘RCEP not to have a strong impact’, *Taipei Times*, 23 November 2020, <https://www.taipeitimes.com/News/editorials/archives/2020/11/23/2003747410>.

¹⁵⁰ Newsham, G. (2020), ‘The Case for Bringing Japan into the Five Eyes’, *Asia Times*, 24 August 2020, <https://asiatimes.com/2020/08/the-case-for-bringing-japan-into-the-five-eyes>.

¹⁵¹ Nalapat, M. D. (2020), ‘Indo-Pacific Charter Gains Support in India, US, Australia, and Japan’, *Sunday Guardian Live*, 13 June 2020, <https://www.sundayguardianlive.com/news/indo-pacific-charter-gains-support-india-us-australia-japan>.

¹⁵² NATO (1941), ‘The Atlantic Charter: Declaration of Principles issued by the President of the United States and the Prime Minister of the United Kingdom’, https://www.nato.int/cps/en/natohq/official_texts_16912.htm.

¹⁵³ Brazier, D. (n.d.), ‘The Atlantic Charter: Revitalizing the Spirit of the Founding of the United Nations Over Seventy Years Past’, *United Nations Chronicle*, <https://www.un.org/en/chronicle/article/atlantic-charter-revitalizing-spirit-founding-united-nations-over-seventy-years-past>.

¹⁵⁴ NATO (1941), ‘The Atlantic Charter: Declaration of Principles issued by the President of the United States and the Prime Minister of the United Kingdom’.

¹⁵⁵ Paskal, C. (2020), ‘Five Reasons it’s Smart to Ban Chinese Apps’, *Opinion Piece, Washington Examiner*, 14 July 2020, <https://www.washingtonexaminer.com/opinion/op-eds/five-reasons-its-smart-to-ban-chinese-apps>.

¹⁵⁶ Nalapat, M. D. (2020), ‘Asia is Now the Global Geopolitical Center, It’s Time for an Indo-Pacific Charter’, *Japan Forward*, 26 May 2020, <https://japan-forward.com/asia-is-now-the-global-geopolitical-center-its-time-for-an-indo-pacific-charter>.

¹⁵⁷ Nalapat (2020), ‘Indo-Pacific Charter Gains Support in India, US, Australia, and Japan’.

The Indo-Pacific consists of a wide range of countries, with an even wider range of sometimes conflicting perceptions. However, especially since COVID-19, there is growing common concern about China's economic policies, military expansionism and human rights abuses. The result has been that in strategic communities across the Indo-Pacific, there is an equally growing desire to create a broad consensus on acceptable behaviour, rules and norms, and to state, fundamentally, what they want from increased activity in the region.

An Indo-Pacific Charter is one way to reduce domestic division, uncertainty and hedging by making clear internally and internationally what nations that sign stand for, in the same way as the Atlantic Charter did in 1941. It is a means of creating alliances that are 'recognized by generals', if not by lawyers. For it to be effective, there would have to be an enforcement component, but the goal would not be to fight; the goal would be to create partnerships strong enough, and with enough levers (including economic), to dissuade nations that want to dominate unilaterally. That could mean economic boycotts or supply-chain redirecting, rather than naval blockades.

Global strategic focus has shifted to the Indo-Pacific. How the region handles the next few years will determine if it becomes the cradle of crises or solutions.

About the author

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Cover image: A Chinese operational aircraft carrier, the Liaoning (C), sailing during a drill at sea on 18 April 2018.

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