

Indo-Pacific Strategies

What Do They Entail for India?

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Abstract

The Indo-Pacific construct has gained considerable traction over the past couple years. Adopting this new geographical concept for regionalism, most influential countries have spelled out comprehensive strategies for their engagement with the region. These strategies are expected to reshape the global security and economic architecture. Given the geographical positioning, global tilt toward the Indo-Pacific has direct implications for India. This article examines the Indo-Pacific strategies of different countries to identify the areas where India's interests converge with other participating countries. It argues that despite varying in contour, the Indo-Pacific strategies of leading global powers converge on several important issues including supply-chain diversification, cyber and maritime security, and improving connectivity, which opens interesting economic opportunities for India.

Global economic geography has been undergoing a phenomenal change. The economic center of gravity that shifted after the Industrial Revolution, first to Europe and then to America, has swiftly been moving toward Asia. Though the rise of the East Asian Tigers in the 1960s instigated this great economic reversal, it became pronounced only after the 1980s, when two Asian giants—India and China—embarked on the path of rapid industrialization. Since the early 1990s, Asia has consistently outperformed Europe and America in terms of economic growth, emerging as the nerve center of global economic activities. The continent's share in global gross domestic product (GDP) and trade has risen remarkably, and Asia has become highly integrated with advanced economies through complex global value chains.

The economic rise of Asia has benefited the entire globe through trade-induced welfare gains. However, given the unsettled territorial disputes, Asia's ascendance has also coincided with serious concerns regarding “good maritime order rooted in adherence to the established international law and norms.”¹ Specifically, developments in the South China Sea have raised global concerns regarding the freedom of navigation that is crucial for keeping the sea lanes open. Additionally,

¹ Gurpreet S. Khurana, “The ‘Indo-Pacific’ Idea: Origins, Conceptualisations and the Way Ahead,” *Journal of Indian Ocean Rim Studies*, October–December (2019).

China's vaunted Belt and Road Initiative (BRI) has created additional concerns. In the light of these geoeconomic and geostrategic changes, a new geopolitical construct—the *Indo-Pacific*—has gained prominence in policy circles.

The Indo-Pacific region accounts for more than 65 percent of global GDP, and half of all global trade passes through the waters of these two oceans.² For some time now, the Indian Ocean region and Pacific Ocean region were treated as separate entities for the purposes of strategic policy making. However, since 2007, policy makers have come to recognize that the economic and strategic interests of countries in both regions are interconnected and that they cannot be effectively secured without envisioning the Indian and Pacific as a single, continuous area.³ This idea was first floated by then Japanese prime minister Shinzō Abe in 2007 when addressing the Indian Parliament. Abe advocated for “strengthening the political and economic link among democracies situated in Indian and Pacific Oceans for securing sea lanes and promoting economic prosperity.”⁴ However, the construct gained traction only in 2017 when Pres. Donald Trump put his weight behind it. Since then, several countries have adopted the Indo-Pacific construct.

Given the geographical positioning and dependence on maritime trade, New Delhi has always recognized the significance of the maritime domain in Indian strategic thinking. However, the prevailing global geopolitical landscape, coupled with domestic political instability and conflicts in neighboring countries, as well as resource constraints and more pressing concerns on its northern and northeastern borders, compelled India to prioritize its focus on its continental borders until the end of the twentieth century.⁵ Nonetheless, situations changed in the twenty-first century, and New Delhi started focusing more on the maritime domain. India rebooted its maritime outreach in the Indian Ocean with the launch of Indian Ocean Rim Association (IORA) for regional cooperation in 1997. This shift was further strengthened with the launch of the Security and Growth for All in the Region (SAGAR) initiative in 2015. Recognizing the fact that unconventional security threats cannot be effectively addressed without securing the eastern Indian Ocean and western Pacific Ocean, India officially joined the Indo-Pacific construct in 2018. Addressing the Shangri La Dialogue in Singapore, Prime

² Prabir De, “Indo-Pacific Ocean Initiative (IPOI): Trade, Connectivity and Maritime Transport Suggested Action Plan” *AIC Working Paper* No 08, December 2021, <https://aseanindiacentre.org.in/>.

³ Felix Heidux and Gudrum Wacker, “From Asia Pacific to Indo-Pacific”, *SWP Research Paper* 9, July 2020, <https://www.swp-berlin.org/>.

⁴ Shinzo Abe, “Confluence of the Two Seas” (speech, Parliament of the Republic of India, 22 August 2007), <https://www.mofa.go.jp/>.

⁵ Manoj Joshi, “India (Re)discovers the Indian Ocean,” *ORF Commentary*, 23 August 2019, <https://www.orfonline.org/>.

Minister Narendra Modi outlined India's vision and policy elements for the Indo-Pacific. In his address, Modi called for "an open and inclusive order in Indo-Pacific based on respect for sovereignty and territorial integrity of all nations."⁶ Modi's address was followed by the launch of the Indo-Pacific Ocean Initiative (IPOI) in November 2019, which added more clarity to India's vision. The IPOI listed "(1) Maritime Security; (2) Maritime Ecology; (3) Maritime Resources; (4) Capacity Building and Resource Sharing; (5) Disaster Risk Reduction and Management; (6) Science, Technology and Academic Cooperation; and (7) Trade, Connectivity and Maritime Transport as seven pillars for the cooperation with Indo-Pacific countries."⁷ The initiative envisages drawing on existing regional cooperation architecture and mechanisms to achieve the objective of open and inclusive Indo-Pacific.

Like India, several countries/regional groupings—including the United States, Japan, Australia, the Association of Southeast Asian Nations (ASEAN), France, Germany, and the European Union—have also devised detailed visions/strategies for the Indo-Pacific. Some of these actors have also launched specific initiatives to supplement their Indo-Pacific strategies. The Indo-Pacific Economic Framework for Prosperity (IPEF) is one such major initiative, which the Biden administration launched recently. Since India is an important Indo-Pacific nation, these strategies and initiatives have direct implications for New Delhi. Against this backdrop, this article examines the emerging Indo-Pacific strategies of different countries to identify the areas where India's interests converge with other participating countries. It argues that despite having differences, Indo-Pacific strategies of different global powers converge on several issues, including supply-chain diversification, cyber and maritime security, and improving connectivity, which opens interesting opportunities for India.

Salient Features of Indo-Pacific Visions/Strategies

United States

The term *Indo-Pacific* started appearing in US policy circles during the presidency of Barack Obama. However, it gained prominence only during the Trump administration, and since then, the term has become integral to all official documents. Few US departments have come out with their own Indo-Pacific strategy

⁶ Ministry of External Affairs, Government of India, "Indo-Pacific Division Briefs," 2020, <https://mea.gov.in/>.

⁷ "Indo-Pacific Division Briefs."

documents. One such document was published by the Department of State in 2019. Titled *A Free and Open Indo-Pacific: Advancing a Shared Vision* (FOIP), this strategy paper provided a comprehensive overview of US involvement in the Indo-Pacific and listed “(i) respect for severity and independence for all, (ii) peaceful resolution of disputes, (iii) free, fair and reciprocal trade and (iv) adherence to international laws”⁸ as guiding principles for the US approach to the Indo-Pacific. It was followed by the comprehensive *Indo-Pacific Strategy Report* by Department of Defense and declassification of the *US Strategic Framework for the Indo-Pacific*. The Biden administration also published its *Indo-Pacific Strategy of United States* in May 2022. These four documents clearly underlined the growing economic and strategic importance of Indo-the Pacific for the United States and advocate for deeper cooperation with like-minded countries in the region to ensure prosperity with peace.

A careful reading of publicly available US documents clearly highlights strategic/security concerns being at the forefront of Washington’s Indo-Pacific strategy. The United States sees shifting power dynamics and an assertive China as potential threats to the rules-based world order. Thus, US documents emphasize strengthening military alliances with existing partners and expending military cooperation with other like-minded countries in the region, both in bilateral and multilateral frameworks, to ensure maritime security and freedom of navigation for all. US planners envision strengthening the defense capabilities of existing/emerging strategic partners in the Indo-Pacific region through defense export as the most important instrument for deepening military cooperation. Apart from this, joint naval exercises, sharing military technology, military aid, and training programs for military officials are listed as other instruments to deepen defense partnership in Indo-Pacific.

Enchasing development cooperation with Indo-Pacific countries also features prominently in US strategy. The *Free and Open Indo-Pacific* vision document extensively describes existing US financial and technical support for various Indo-Pacific countries and seeks to enhance it further. Though the development cooperation under this strategy attempts to cover the entire gamut of socioeconomic development—including skill development, trade facilitation, export promotion, energy policy, entrepreneurship development, civil society development, and so forth—it is the infrastructure financing that has received the most attention. In an apparent bid to provide an alternative to China’s BRI, *A Free and Open Indo-Pacific* promises to support infrastructure development in Indo-Pacific “that is

⁸ *A Free and Open Indo-Pacific: Advancing a Shared Vision* (Washington, DC: Department of State, 3 November 2019), <https://www.state.gov/>.

physically secure, financially viable, economically sustainable, and socially responsible.”⁹ The United States has adopted three strategies for this. First, it has consolidated its development finance and technical assistance in the Indo-Pacific with initiatives found in the Better Utilization of Investments Leading to Development Act (BUILD Act) and the Asia Reassurance Initiative Act (ARIA Act). Second, in collaboration with Japan and Australia, Washington established the Blue Dot Network for the certification of high-quality infrastructure projects to promote transparency.¹⁰ Third, Washington has accentuated coordination with other G7 countries to synthesize individual country’s infrastructure finance in the Indo-Pacific region to ensure efficient utilization of resources. The last initiative has culminated in the launch of an ambitious Build Back Better World (B3W), a USD 40-trillion initiative to counter the BRI.

Deepening trade and investment relations with Indo-Pacific countries also features in the US vision. However, the economic agenda has been least developed. The document merely lists several existing US initiatives such as Access Asia, Discover Global Markets and Trade Winds, which have been facilitating US investment abroad, including the Indo-Pacific economies, since the early years of the Trump administration.¹¹ On the trade front, the US vision pitched for better trade integration with the region based on the principle of free, fair, and reciprocal trade. However, the document does not propose any strategy and merely mentions signing new and renegotiating existing free-trade agreements with Indo-Pacific countries as an instrument for boosting trade relations. In fact, given the ongoing trade friction between China and the United States, emphasis on free, fair, and reciprocal trade may be a US strategy to get better trade and investment deals with China to ensure improved market access and intellectual property rights (IPR) protection for US firms.

Critical technology, digital economy and cybersecurity are other areas that feature prominently in the US vision. Highlighting “maintaining open and interoperable internet with cross-border data flow while protecting the digital economy from cyber security threats”¹² as the biggest challenges in years to come, the US vision urges Indo-Pacific countries to adopt a risk-based approach for evaluating technology vendors. The United States is actively pursuing technology cooperation with like-minded countries in the Indo-Pacific, with a particular focus on

⁹ *A Free and Open Indo-Pacific*, 15.

¹⁰ Jagannath P. Panda, “India, the Blue Dot Network, and the ‘Quad Plus’ Calculus,” *Journal of Indo-Pacific Affairs* 3, no. 3 (Fall 2020): 3–21, <https://www.airuniversity.af.edu/>.

¹¹ *A Free and Open Indo-Pacific*, 14.

¹² *A Free and Open Indo-Pacific*, 18.

joint investments in emerging technologies. The Quadrilateral Security Dialogue, or Quad, has emerged as a key vehicle for such cooperation, and the launch of the Quad Investor Network (QIN) has given momentum to this initiative.

With the launch of Indo-Pacific Economic Framework for Prosperity (IPEF), Washington sharpened the economic dimension of its Indo-Pacific strategy. The IPEF has identified four pillars for economic cooperation with Indo-Pacific countries: trade, resilient economy, clean energy and fair economy. The IPEF offers a menu of cooperation to Indo-Pacific countries with freedom to choose any pillar to strengthen economic cooperation. However, barring one pillar—*resilient economy*, which focuses on supply-chain resilience—the other three mostly deal with standard setting without offering anything on market access, technology transfer, or finance. For example, the agenda under the *connected economy* pillar revolves around labor standards, environment standards, and cross-border data flow, while important issues such as tariff concession, market access, and trade facilitation are missing. Similarly, the *clean economy* pillar talks about a high target for renewable energy, carbon removal, and high energy-efficiency standards without mentioning anything on technology transfer or financing. Given the prevailing protectionist sentiments that forced the United States to withdraw from the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the IPEF seems to be an attempt to push US standards without offering market access.

Japan

Despite Prime Minister Abe's coining of the FOIP concept, Japan's Indo-Pacific strategy gained momentum only after 2010 Senkaku boat collision incident. In 2012, Abe proposed the formation of a democratic alliance consisting of Japan, the United States, India, and Australia to protect the global public goods and freedom of navigation.¹³ Since then, Tokyo has continuously promoted the idea of a free and open Indo-Pacific—albeit under varying terminology. Initially, Japan's officials and leaders used the term *Indo-Pacific strategy*, later replacing it with *Indo-Pacific vision*.

Given Japan's economic interest in maintaining free sea lines of communication (SLOC) and its unresolved conflict with China over the Senkaku Islands, it not surprising that maritime security figures prominently in Tokyo's Indo-Pacific

¹³ Lavina Lee and John Lee, "Japan-India Cooperation and Abe's Democratic Security Diamond: Possibilities, Limitations and the View from Southeast Asia," *Contemporary Southeast Asia* 38, no. 2 (2016): 284–308.

vision. Maintaining a rules-based order and freedom of navigation are stated objectives, and Japan envisions securing major SLOCs by deepening defense cooperation in terms of joint naval exercises, military exchange activities, and defense equipment and technology cooperation with like-minded countries in Southeast Asia, South Asia, the Pacific Islands, Middle East, Africa, and Latin America, which are important for ensuring energy security. Japan has effectively been implementing its Indo-Pacific security strategy. Its military cooperation with Indo-Pacific countries has deepened substantially. In 2012, Japan had military operations with just five countries in the Indo-Pacific; this number increased to 15 in 2021.¹⁴

Though Japan's Indo-Pacific vision arose from security concerns, economic matters have emerged at the core of it. Japan perceives regional economic prosperity as a building block for security and emphasizes enhancing economic connectivity to achieve the objective of shared prosperity. With a total budget of USD 200 billion, Tokyo introduced the Partnership for Quality Infrastructure initiative to support and finance connectivity infrastructure projects in the Indo-Pacific. Japan has been financing various infrastructure projects in Africa and Asia, including eight port development projects, two airport development projects, and two mega rail corridors—along with several other road and power-generation projects. Though Tokyo has not directly voiced concern against the BRI, emphasis on promoting transparency, efficiency, and sustainability—coupled with its growing cooperation with the United States, European Union, and Australia for infrastructure financing—underlines that the Partnership for Quality Infrastructure aims to offer Indo-Pacific countries an alternative to Chinese infrastructure projects.

Apart from improving physical connectivity, Japan's Indo-Pacific vision also envisions trade agreements, both in bilateral and multilateral frameworks, as tools to ensure higher economic integration with Indo-Pacific countries. Tokyo has been the primary promoter of two recently concluded mega free-trade agreements: the Regional Comprehensive Economic Partnership (RCEP) and the CPTPP. Since these free-trade associations (FTA) are open to China, Japan's focus on FTAs suggests on surface that Tokyo is perhaps not interested in economic rebalancing. However, Japan's recent initiatives/actions indicate another story. Since the outbreak of the covid-19 pandemic, Tokyo has taken two measures to economically wean itself away from China. First, it introduced a USD 2-billion financial support package for Japanese firms operating from China to relocate either back to Japan or any other country. Second, jointly with India and Australia, it has launched the Supply Chain Resilience Initiative (SCRI), which

¹⁴ Ministry of Foreign Affairs, Government of Japan, "Japan's Effort for a 'Free and Open Indo Pacific'" (PowerPoint presentation, n.d.), <https://www.mofa.go.jp/>.

envisages investment promotion events and buyer-seller matching events along with joint trade and investment diversification measures to achieve the objective of supply-chain resilience. These initiatives, along with focus on improving infrastructure in Indo-Pacific countries, suggest that perhaps Japan conceives of mega FTAs as a tool of economic rebalancing in the region.

Australia

Australia has not published any special document to outline its Indo-Pacific vision or strategy; rather, its Indo-Pacific vision has evolved through several key policy documents such as *2016 Defence White Paper* and *2017 Foreign Policy White Paper*. These documents call for a secure, open, and prosperous Indo-Pacific region.¹⁵ Canberra perceives respect for international laws, norms, and open markets as essential for Australia's security and prosperity and commits itself to uphold these values.

Like the Indo-Pacific visions of Japan and the United States, maritime security features prominently in the Australian vision of the Indo-Pacific too. The *2017 Foreign Policy White Paper* acknowledges that the region's seas are becoming more congested and contested and urge all countries to ensure that "international law especially UNCLOS [United Nations Convention on the Law of the Sea] is respected and implemented to protect the freedom navigation and uphold the sovereign rights of coastal states."¹⁶ Canberra perceives that contestation over these ideas will increase in years to come and, therefore, plans to strengthen Australia's defense preparedness by investing more in defense capabilities and expanding defense cooperation, encompassing information sharing, joint naval exercises, joint research and development, border defense cooperation, and so forth with other like-minded countries— especially the Indo-Pacific democracies of the United States, Japan, Indonesia, India, and the Republic of Korea as well as ASEAN.¹⁷

Connectivity/infrastructure finance also features prominently in Canberra's vision of the Indo-Pacific. In line with the United States and Japan, Australian documents also express concerns for infrastructure finance being used to gain strategic influence and commercial advantage and pledges Canberra's support for transparency, sustainability, and private-sector participation in connectivity/infrastructure projects. The *2017 Foreign Policy White Paper* asserts that Australia is open to engage in regional infrastructure initiatives, including the BRI, if the

¹⁵ *2017 Foreign Policy White Paper* (Canberra: Department of Foreign Affairs and Trade, 2017), <https://www.dfat.gov.au/>.

¹⁶ *2017 Foreign Policy White Paper*, 47.

¹⁷ *2016 Defence White Paper* (Canberra: Department of Defense, 2016), <https://www.defence.gov.au/>.

abovementioned principles are adhered to. However, in subsequent years, Australia has clearly aligned to regional infrastructure initiatives floated by Tokyo and Washington. It has partnered with Japan and United States to launch the Blue Dot Network to promote transparent, sustainable, and socially responsible infrastructure financing.

Having an open economy with high dependence on international trade, it is not surprising that the Australian Indo-Pacific strategy vouches for free and fair trade under a multilateral framework. However, Canberra acknowledges that progress at multilateral forums is going to be very slow and, therefore, sees plurilateral/bilateral trade agreements as a practical way forward. Australia believes that higher economic integration among countries in the Indo-Pacific can dilute strategic rivalry and, therefore, Canberra's Indo-Pacific vision strives for "region-wide trade and investment arrangement defined by comprehensive rules to promote liberalisation, reform and a more seamless trading environment."¹⁸ Apart from being part of three plurilateral trade agreements, Australia already has FTAs with nine individual countries. Under its Indo-Pacific strategy, Canberra is looking forward to signing seven more trade agreements, with the Australia-India FTA and Australia-Indonesia Comprehensive Economic Partnership Agreement (CEPA) being high on the priority list. At the same time, Australia is promoting the idea of a region-wide FTA that would include the United States, India, and Japan. Emphasis on FTAs, along with region-wide trade and investment agreements, suggests that Australia perhaps wants to achieve the following two objectives as a part of its Indo-Pacific strategy. First, Canberra wants to diversify Australia's trade by signing more FTAs, especially with Indo-Pacific democracies, India and Indonesia. The recently launched SCRI—which India, Japan, and Australia have jointly launched—corroborates this. Second, with mega trade and investment agreements, Australia is perhaps trying to define trade and investment rules in a plurilateral framework to safeguard its economic interests in China where its firms have invested around USD 200 billion.

ASEAN

The ASEAN lies at the center of Indo-Pacific geopolitics and geoeconomics, literally and metaphorically. The ASEAN deliberated for more than a year to publish the short, five-page *ASEAN Outlook on the Indo-Pacific* in mid-2019. In carefully crafted words, this document provided a very inclusive vision for an Indo-Pacific that is open to everyone. It avoids naming any country in the document as

¹⁸ 2017 *Foreign Policy White Paper*, 45.

a partner or rival. The *ASEAN Outlook* acknowledges ongoing geopolitical and geostrategic shifts and calls for avoiding deepening mistrust, miscalculation, and a pattern of behavior based on a zero-sum game. It envisages “ASEAN centrality as the underlying principle for promoting cooperation in the Indo-Pacific region.”¹⁹

The ASEAN identifies maritime cooperation as its highest priority. The *ASEAN Outlook* mentions unresolved maritime disputes that have the potential to spark open conflict and calls for their peaceful resolution as per existing international laws and conventions. However, unlike the Indo-Pacific visions of the United States, Japan, and Australia, the *ASEAN Outlook* did not envisage any military cooperation to ensure maritime security. Moreover, the maritime agenda of the ASEAN goes far beyond maritime security and maritime disputes. It encompasses preservation and protection of the marine environment and biodiversity, promoting green shipping, developing the blue economy, sustaining management of marine resources, and encouraging technical cooperation in marine science.

Connectivity is the second important theme of the *ASEAN Outlook*. It emphasizes improved physical, institutional, and people-to-people connectivity among Indo-Pacific countries. For physical connectivity, focus is on ensuring a seamless and integrated ASEAN. The document avoids any words that could potentially link the ASEAN with competing connectivity initiatives in the Indo-Pacific. It does mention that environment and ecological sustainability should be considered in connectivity initiatives, but financial viability, economic sustainability, private-sector participation, which occupy important place in the US connectivity initiatives, have been completely avoided. In a nutshell, the *ASEAN Outlook* gives the impression that the ASEAN is open to all regional connectivity initiatives if they complement and support the already existing Master Plan for ASEAN Connectivity (MPAC) 2025.

The *ASEAN Outlook* also lists several other areas for cooperation. It vouches the ASEAN’s support for FTAs and comprehensive economic partnerships to enhance global integration, without giving any details. Apart from FTAs, it envisions cooperation for improving logistics infrastructure and services as well as trade facilitation. Economic areas of cooperation under the *ASEAN Outlook* go beyond trade and cover all aspects of the economy, including the following, among others:

- digital economy and the facilitation of cross-border data flow;
- promotion of micro, small, and medium enterprises;

¹⁹ *ASEAN Outlook on the Indo-Pacific* (Bangkok: ASEAN, 23 June 2019), <https://asean.org/>.

- active aging²⁰ and innovation;
- cooperation on preparing for the Fourth Industrial Revolution, with emphasis on sharing expertise and experience to realize the benefits and mitigate the challenges of digital resolution; and
- development of private sector.

Science, technology, research and development, smart infrastructure, climate change, disaster risk reduction/management, and South-South cooperation are also listed as areas for cooperation in the *ASEAN Outlook*, without providing any further details.²¹

European Union

France has led the European Union's foray in formulating an Indo-Pacific strategy. Given its overseas territories in the region that represent a population of 1.65 million, France considers itself an Indo-Pacific nation. It first published an Indo-Pacific defense strategy in 2016, which was followed by a comprehensive Indo-Pacific strategy in 2018. Acknowledging changing strategic and military balances and increasing unconventional security threats as formidable challenges, the four-pillared French Indo-Pacific strategy advocates for maintaining "an Indo-Pacific that is open and inclusive, free of all forms of coercion and founded on multilateralism and the respect of international law."²²

Given its overseas territories and economic interest in maintaining open SLOCs, in line with the US Indo-Pacific strategy, the French Indo-Pacific strategy also attaches its highest priority to maritime security and safety. Paris sees the changing regional balance of power, unresolved maritime disputes, and unconventional security threats—such as piracy, terrorism, trafficking, and unregu-

²⁰ *Active aging* refers to the process of optimizing opportunities for health, participation, and security to enhance quality of life as people age. This concept has become increasingly important in countries facing the challenge of a growing aging population. As life expectancy increases and birth rates decline, many countries are grappling with the social and economic implications of an aging population. In this context, active aging offers a way to promote healthy, productive, and engaged aging, while also mitigating the potential economic and social costs associated with population aging. Active aging emphasizes the importance of maintaining physical and mental health, staying socially connected and engaged, and participating in meaningful activities, such as work, volunteering, and community involvement. It also emphasizes the need for policies and programs that support older adults in achieving these goals, such as access to healthcare, age-friendly environments, and lifelong learning opportunities.

²¹ *ASEAN Outlook on the Indo-Pacific*, 3.

²² *France's Indo-Pacific Strategy* (Paris: Ministry of Europe and Foreign Affairs, 2021), <https://www.diplomatie.gouv.fr/>.

lated and unprotected fishing—as the most significant challenges and seeks to deepen France’s extant defense cooperation with Indo-Pacific partners particularly, India, Australia, Japan, and the ASEAN to mitigate these challenges.²³ Notably, French strategy mentions its support for freedom of navigation; however, unlike Washington’s FOIP vision, the tone is less confrontational.

Since France is a part of the European Union, its economic agenda under Indo-Pacific strategy did not include FTAs. Rather the trade-related portion of the French Indo-Pacific strategy revolves around two aspects: (1) reducing import dependence for food products and (2) diversifying the supply of strategic goods. For reducing import dependence for agrifood products, Paris pledges financial support for French producers, while for supply-chain diversification, it envisages building partnerships with like-minded countries in Indo-Pacific.

Connectivity and infrastructure finance also figure prominently in the French Indo-Pacific strategy. Paris acknowledges the growing need in the Indo-Pacific region for infrastructure finance and stresses the need for implementation of Europe-Asia connectivity strategies and strengthening bilateral partnerships with Indo-Pacific nations—especially in the field of renewable energy. French strategy emphasizes on competition, sustainability and transparency in infrastructure financing. However, France defers to G20 principles for quality infrastructure financing, which makes its strategy less confrontational with China. The French strategy also emphasizes deepening university and scientific cooperation with Indo-Pacific countries, especially India, Australia, Japan, Singapore, Indonesia, and Vietnam. It identifies healthcare research, management of marine resource, ocean, climate change, and biodiversity as areas of priority for research and innovation cooperation.

Climate change and challenges associated with it—such as promoting energy transition, protecting biodiversity, advocating ocean governance, promoting blue economy, and preventing natural disasters—also constitute an important part of the French Indo-Pacific strategy. Paris envisions mobilizing countries in the region through multilateral and bilateral dialogues to mitigate these challenges.

The French Indo-Pacific strategy also encouraged the idea of a collective European Union strategy for Indo-Pacific. This French push for an EU strategy for the Indo-Pacific prompted Germany and the Netherlands to announce their own separate Indo-Pacific policy guidelines in 2019. The German policy guidelines identified maintaining peace and security, diversifying and deepening relations, promoting a multipolar world, ensuring open shipping routes, promoting open

²³ *France’s Defence Strategy in Indo-Pacific* (Paris: Ministry of Defence, 2016), <https://dkiapcss.edu/>.

markets and free trade, fostering digital transformation and connectivity, protecting plant and countering disinformation as eight interests in the Indo-Pacific.²⁴ It further asserted that German involvement in the Indo-Pacific will be guided by eight principles including collective European action, multilateralism, rules-based order, United Nations' development goals, human rights, inclusivity, and partnership among equals. The Netherlands' policy document, titled *Indo-Pacific: Guidelines for Strengthening Dutch and EU Cooperation with Partners in Asia*, listed promoting "international legal order, democracy and human rights, sustainable trade, security and stability, safe passage and maritime security, climate change, global healthcare and poverty reduction" as focus areas for partnership with Indo-Pacific countries.²⁵ Notably, the French Indo-Pacific strategy and German and Dutch policy guidelines on Indo-Pacific converge not only in terms of assessment of the Indo-Pacific but also in terms of their core objectives. These three countries also shared the vision of developing an EU strategy for the Indo-Pacific.

Building on the member countries' strategies/policy guidelines, the European parliament announced a comprehensive strategy for cooperation in the Indo-Pacific in late 2021. This EU strategy underlines that "EU intends to increase its engagement with the region to build partnerships that reinforce the rules-based international order, address global challenges, and lay the foundation for rapid, just and sustainable economic recovery that creates long-term prosperity."²⁶ The document emphasizes that EU engagement with the Indo-Pacific will be guided by the principles of inclusive multilateral cooperation, respect of democracy, human rights, and rule of law. Aligning with the sentiments proposed by the German and Dutch policy guidelines, the EU strategy adopted a middle path to avoid being trapped in ongoing US-China strategic competition. The document voices European concerns regarding freedom of navigation, human-rights violations, unfair trade practices, and economic coercion—for which China has been repeatedly blamed. However, in a balancing act, it also clearly underlines the EU's willingness to work with Beijing to promote solutions to the challenges facing the Indo-Pacific region.

The EU strategy has identified seven areas for cooperation that fairly covers everything under the sun. However, a careful reading of the document suggests

²⁴ *Policy Guidelines for the Indo-Pacific* (Berlin: Federal Foreign Office, 2020), <https://www.auswaertiges-amt.de/>.

²⁵ *Indo-Pacific: Guidelines for Strengthening Dutch and EU Cooperation with Partners in Asia* (Amsterdam: Government of the Netherlands, 13 November 2020), <https://www.government.nl/>.

²⁶ *The EU Strategy for Cooperation in the Indo-Pacific* (Brussels: European Commission, 16 September 2021), <https://ec.europa.eu/>.

that EU interests in Indo-Pacific actually revolve round securing SLOCs, promoting/establishing global governance, and mitigating the global challenges posed by climate change and the COVID pandemic. Since 40 percent of EU trade passes through the South China Sea, it is unsurprising that maritime security and ocean governance figure prominently in the EU strategy. It reiterates EU commitment for strengthening ocean governance in compliance with international laws, especially the UNCLOS. The strategy calls for developing partnerships and strengthening synergies with like-minded partners and relevant organizations in the Indo-Pacific to counter threats like terrorism, violent extremism, illicit trafficking, unreported and unregulated fishing, and so forth in full compliance with international law to ensure maritime security and sustainability. For maritime security, the strategy envisions increasing member countries' naval presence in the Indo-Pacific.

The EU strategy also highlights connectivity as an important area for cooperation and envisages promoting connectivity with Indo-Pacific partners in all dimensions.²⁷ However, the document focuses more on digital connectivity. The EU strategy envisions promoting investment in digitization and helping partners in the Indo-Pacific to foster the regulatory environment required to attract investment. Though the EU strategy avoids using phrases like *financial viability*, *debt trap*, and so forth, its emphasis on sustainability and willingness for undertaking joint connectivity projects with Japan, India, Australia, the United States, South Korea, and Canada can be interpreted as the EU's intention to join the US-led initiative to provide an alternative to the BRI for Indo-Pacific countries.

The EU is primarily an economic power with high dependence on trade. It is also deeply integrated with the Indo-Pacific through global value chains. However, the blocs economic integration with the region is skewed in favor of China. The COVID pandemic exposed the negative side of excess dependence on one source of supply. Consequently, building resilient supply chains through trade diversification has been highlighted as an important flank of the EU Indo-Pacific strategy. In line with member countries' approaches, the EU's strategy favors FTAs with Indo-Pacific countries, including India, Indonesia, Australia, New Zealand, Malaysia, the Philippines, and Thailand, to diversify trade relations. Apart from FTAs, the EU plans to foster cooperation in strategic sectors with like-minded countries to reduce strategic dependency in supply chains.

The EU strategy acknowledges climate change as the most significant global challenge that is threatening biodiversity and humanity. It envisages deepening

²⁷ *The EU Strategy for Cooperation in the Indo-Pacific*, 12.

cooperation with Indo-Pacific countries to protect biodiversity, check plastic and air pollution, and promote clean energy transition. Concluding green alliances,²⁸ mobilizing financial instruments for affordable and sustainable energy, and engaging in joint research-and-development projects on clean energy are listed as instruments for deepening the cooperation with Indo-Pacific countries to promote green transition.

The world is witnessing a digital revolution and the EU has been at the forefront of promoting digitization. The bloc has promoted the agenda for setting standards/regulations to facilitate smooth digital transition of businesses and stimulate digital trade. The EU strategy also focuses on digitization and proposes building digital partnerships with Indo-Pacific countries to enhance technical, policy, and research cooperation on digital infrastructure, digital transformation of business, skill development, and data regulations. Since innovation and skills are key for a smooth digital transition, these two aspects get special mention in the EU strategy. The document proposes deepening research and innovation cooperation with Indo-Pacific countries under the Horizon Europe program and academic exchanges under the Erasmus+ program.

In the wake of the COVID pandemic, health has also received attention in the EU strategy. Summarizing the EU's medical aid to Indo-Pacific countries, the document proposes working with Indo-Pacific countries to "ensure an effective multilateral response to the COVID-19 and future global health crisis."²⁹ However, the document provides no definite plan and barely mentions collaborative research to combat communicable diseases under Horizon Europe initiatives.

Overall Strategy, Emerging Institutions, and Regional Architecture

The evolving strategic scenario seems to be complex and multilayered in the Indo-Pacific. The normative framework emerging from strategic and economic initiatives of the major countries and regional organizations is idealistically driven

²⁸ The European Union (EU) is actively working to establish green alliances with partner countries to promote green growth and carbon neutrality. These alliances involve strong environmental cooperation, aimed at enhancing scientific, business, and regulatory cooperation to promote the use of renewable energy. One example of such a green alliance is the EU–Japan Green Alliance, which was signed in 2018. This agreement focuses on collaboration in areas such as low-carbon technology development, green finance, and sustainable urban planning. It aims to leverage the strengths and resources of both the EU and Japan to drive progress towards a more sustainable future. The EU's efforts to establish green alliances reflect its commitment to promoting sustainable development and addressing the pressing environmental challenges facing the world today. By working together with like-minded partners, the EU hopes to drive innovation and progress in the transition toward a low-carbon economy.

²⁹ *The EU Strategy for Cooperation in the Indo-Pacific*, 15.

by the desire for an Indo-Pacific as open, rules-based, inclusive, “free of all forms of coercion,” and so forth. Democratic values and norms are amply visible in defining the political space in the Indo-Pacific region, which can facilitate free flow of trade as well as respect for international law and national sovereignty. Concerns over the assertive approach and challenge to the rules-based order have been contributed to the formation of various initiatives for promoting bilateral, regional, and global cooperation in multiple formats with diversified agenda. US initiatives such as the Blue Dot Network and B3W and Japan’s Quality Infrastructure initiative are launched to promote value- and norm-based cooperation to provide an alternative to China’s BRI. Furthermore, Japan and Australia promoted initiatives, such as the RCEP and CPTPP, and the SCRI with India broadly underline the “China Plus One” strategy to achieve economic rebalancing in Indo-Pacific.³⁰

With the launch of the IPEF, the United States strives to reengage economically with Indo-Pacific countries to counter China’s regional economic influence. The four policy pillars of the IPEF include digital trade and standards, building of resilient supply chains, implementation of clean energy commitments, and promoting fair economic practices by enforcing effective taxation and tackling corruption. Given the absence of the United States from the CPTPP, the IPEF seeks to shape the Indo-Pacific economic architecture without offering market access. European countries have also been resetting their strategies and (re)entering the Indo-Pacific strategic theater. German and French policies aim to promote free and inclusive political space. France has already engaged; Germany has issued its guidelines for Indo-Pacific. Such measures indicate an intent to undertake greater political and security roles in the Indo-Pacific region. Additionally, the Netherlands too is keen to expand its cooperation with the Indo-Pacific region.

³⁰ The ongoing trade war between China and the United States, as well as the repercussions of the COVID-19 pandemic, have led many multinational corporations to pursue a China Plus One strategy, which involves diversifying their supply chains outside of China in order to reduce dependence on the country. This strategy reflects concerns about the risks associated with over-reliance on a single country for supply chain operations, as well as the potential economic and political disruptions that can result from trade tensions or other geopolitical factors. In response, many companies have sought to establish new manufacturing facilities or source materials from other countries in the region, such as Vietnam, Thailand, and India, which offer competitive costs and favorable business environments. Some companies have also considered reshoring production to their home countries, as a way to reduce supply chain risks and ensure greater control over operations. The China Plus One strategy is likely to have significant implications for global trade patterns and regional economic development, as companies shift their operations to new locations and seek to take advantage of new opportunities. However, it also raises questions about the potential environmental and social impacts of increased manufacturing activity in other countries, and the need for greater coordination and collaboration among stakeholders to ensure that these impacts are managed effectively.

The Indo-Pacific is seen as an area of potential political and military contestation. It is also at the center of economic growth. The economic initiatives and political dynamics have opened new avenues for global and regional cooperation. However, institutional arrangement has remained less explored. All countries engaging in the Indo-Pacific assert that they are not aiming to create a new regional institution; rather, they want to draw on existing regional cooperation architecture and mechanisms to strengthen cooperation with Indo-Pacific countries. Specifically, these countries accept the ASEAN centrality and emphasize the need for deeper engagement with the ASEAN-led regional architecture such as the Asia-Europe Meeting (ASEM), East Asia Summit, and so forth. However, with the ASEAN taking a very cautionary approach along with the shaping up of the Quadrilateral Security Dialogue (Quad), it will be interesting to see if the centrality of ASEAN will remain only on paper or will also manifest itself in action on the ground. In the absence of any pan-Indo-Pacific institution, a network of bilateral and multilateral institutions has been shaping the emerging economic and security architectures in the Indo-Pacific.

Imperatives for India and Way Forward

The contour of the Indo-Pacific strategies of different countries/regional groups varies substantially. On the one extreme, the US vision of the Indo-Pacific revolves around containing China. On the other extreme, the ASEAN and European strategies, despite airing concerns regarding freedom of navigation, have adopted an inclusive approach that co-opts China. However, despite several differences, these strategies converge at many points. Moreover, India's IPOI and the Indo-Pacific strategies of other countries and blocs share synergy at several actionable points, which opens several opportunities for India.

The United States, Japan, EU, ASEAN, and India share a common vision for the Indo-Pacific region, which emphasizes the importance of freedom of navigation and respect for international laws. All these countries have called for a peaceful settlement of maritime disputes in accordance with international laws, particularly the UNCLOS. Moreover, with the notable exception of the ASEAN, all participating countries also advocate for enhancing naval and military cooperation with like-minded countries to ensure maritime security and freedom of navigation. This consensus on maritime security has paved the way for India to enhance naval and military cooperation with like-minded countries to secure its waters and SLOCs. Apart from maritime security, maritime cooperation to ensure sustainable use of maritime resources (especially tackling illegal, unreported, and unregulated fishing), promoting the blue economy, and mitigating maritime pollution and climate-induced rise in sea levels figure prominently in the Indo-Pacific visions of

these countries. Since India is also facing these challenges, the Indo-Pacific realignment of various interested countries provides New Delhi with an opportunity to enhance financial and technological cooperation with advanced countries to jointly mitigate the climate change-related and other maritime challenges.

All these vision documents call for close cooperation with Indo-Pacific countries for improving connectivity in all its dimensions—transport, digital, and human. With the notable exception of the *ASEAN Outlook*, Indo-Pacific strategies also advocate for promoting quality connectivity infrastructure projects to ensure sustainability and transparency. The focus on sustainability, coupled with willingness to forge partnerships and collaborations with like-minded countries for improving the availability of infrastructure financing for Indo-Pacific countries, suggests that, despite differing in tone and texture, the countries (ASEAN aside) are aiming to provide a joint alternative to China's BRI. The establishment of the Blue Dot Network and announcement of USD 40-trillion B3W initiatives by G7 countries last year corroborate this. Since connectivity is one of the selected pillars of the IPOI, it naturally opens an opportunity for India to develop partnerships with participating countries to jointly work on connectivity projects not only in India but also in neighboring countries where India already has been financing several connectivity/infrastructure projects.

With considerable variation in focus and underlining intentions, the digital agenda also occupies an important place in the strategies of the discussed countries. For the United States, cybersecurity is the top priority. US documents openly highlight the security risk associated with the use of Chinese hardware and promotes working with Indo-Pacific countries to minimize this risk. Cybersecurity and digital misinformation also figure prominently in the Indo-Pacific visions of the European Union, Australia, and Japan. India shares these concerns regarding cybersecurity and digital misinformation. Since Chinese domination in 5G has created such a massive anxiety, India and other interested countries can explore the possibility of jointly working on 6G and other futuristic technologies to address such security concerns. Apart from cybersecurity, the discussed countries emphasize the promotion of digital trade and cross-border data flow. In other words, their Indo-Pacific visions seek to promote a global digital governance model that is against data localization. This runs contrary to New Delhi's stated position, as India has not only stayed away from ongoing discussion at the World Trade Organization (WTO) regarding digital trade but has also announced regulations to ensure data localization. India may have taken a contrarian stand, but given the anticipated direction of change, staying out of ongoing negotiations for setting the global norms pertaining to digital global governance is not a conducive option. Therefore, New Delhi should engage with other actors in the Indo-Pacific

through a platform such as IPEF to highlight India's concerns and avoid being left behind.

The economic underpinning of these Indo-Pacific strategies is still developing. Each of these countries is deeply integrated with China economically. Their firms have invested heavily in China and still consider China as main source of their competitiveness. However, foreign firms are also facing market access and IPR-related challenges in China. Therefore, it is not surprising that—except the *ASEAN Outlook*—the Indo-Pacific strategies all promote themes of free and fair reciprocal trade and a liberal economic regime. Likewise, they express the desire to increase trade integration with Indo-Pacific nations and see FTAs as the way forward. Notably the trade agendas of these countries do not exclude China, which perhaps suggests that these countries want trade realignment but hope to achieve that without compromising their economic competitiveness and efficiency. However, since the outbreak of the covid pandemic, the desire to diversify the supply chain has gained prominence. Japan and Australia, which had not mentioned supply-chain diversification in their Indo-Pacific strategies earlier, have started working on it. Similarly, the United States, in its recently launched IPEF, has identified the need for a resilient economy as one pillar for cooperation with Indo-Pacific countries. It envisages achieving supply-chain resilience through establishing early warning systems, mapping the critical mineral supply, and coordinated diversification measures. The EU Indo-Pacific strategy also mentions supply-chain diversification as one of its priority areas.

This growing clamor for supply-chain diversification augurs well for New Delhi as it opens a small but interesting window of opportunity. Given India's strong manufacturing base, availability of skilled manpower, and a recent push to enhance competitiveness of the manufacturing sector through infrastructure upgrades, regulatory reforms, and fiscal incentives under the Production Linked Incentive (PLI) scheme, India has the potential to emerge as a preferred destination for multinationals that may be thinking to shift part of their production out of China to comply with their respective government's vision of supply-chain diversification. Though a separate study is required to identify the mutually beneficial and economically viable products, there are certain goods that fit the bill to be covered under supply-chain diversification. Rare-earth elements (REE) is one such group of items. The REE supply chain is highly concentrated and countries like Japan, the United States, and EU members are trying to diversify their REE supply chains. India has the fifth-largest reserve of REEs and therefore has the potential to emerge as an alternative source of REE supply. Apart from REEs, several products covered under the PLI scheme—such as active pharmaceutical ingredients, semiconductors, medical instruments, electronics, and so forth—are

other promising product segments. India should identify products at disaggregate level in these sectors and increase engagement with Indo-Pacific countries to devise a joint strategy for supply-chain diversification of selected products. 🌐

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