



# ISSUE BRIEF

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## Quad and India's Balancing Act



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### Introduction

The Quad is a mechanism which facilitates dialogue between four major democracies within the Indo-Pacific region, Australia, Japan, India, and the US, on issues of regional security. The Quad believes in principles of openness, freedom of movement, and respect for the rules-based international order. Quad is a dialogue mechanism, Indo-Pacific is a concept. Quad does not define Indo-Pacific. Quad is not an alliance.

Quad has unfolded over the past year. It has brought criticisms, complexities, and challenges to the fore. A vast region, the Indo-Pacific is marked by a precarious geometry of faultlines and strategic mistrust. While the Quad offers constructive opportunities for improving dialogue and cooperation across the region, it is constrained by internal limitations. Each member of the Quad presents a slightly different view of the Quad's role within the Indo-Pacific.

There is a feeling that the Quad is an alternative to China's Belt and Road Initiative, or a mechanism aimed at containing China. This

### Key Points

1. The Quad is a mechanism which facilitates dialogue between four major democracies within the Indo-Pacific region.
2. The evolving dynamics of the Russia-India-China (RIC) mechanism, the Shanghai Cooperation Organisation (SCO) and BRICS can be seen as components of India's balancing act between the US and China.
3. There has been an overemphasis on maritime power ignoring land power. Wars are won on land. India's long border with China has number of vulnerabilities.
4. India should not over extend itself to South China Sea. India must make Indian Ocean as its main area of interest.
5. India is determined to retain its sovereignty. India is not an ally of the USA.
6. India has no option but to do tight rope walking diplomatically between U.S. Russia and China.

The Centre for Land Warfare Studies (CLAWS), New Delhi, is an independent think-tank dealing with national security and conceptual aspects of land warfare, including conventional and sub-conventional conflict and terrorism. CLAWS conducts research that is futuristic in outlook and policy-oriented in approach.

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is a defensive mechanism to reduce the influence of China in Asia.

Some of the recent developments in Indo-Pacific region are discussed in this paper.

### Quad Meeting

As officials from “like-minded democracies” Australia, India, Japan and the US held the third meeting of Quadrilateral (Quad) 2.0 on November 14-15 on the sidelines of the East India Summit in Singapore, all four nations stressed the need for “connectivity, sustainable development, counter-terrorism, nonproliferation and maritime and cyber security.” But while India’s mention of the need for a “free, open and inclusive Indo-Pacific” was comparatively understated, the US and Japan were more upfront about it.

The statement released by India’s external affairs ministry, focused on “cooperation in areas such as connectivity, sustainable development, counter-terrorism, non-proliferation and maritime and cyber security, with a view to promoting peace, stability and prosperity in an increasingly interconnected Indo-Pacific region that the four countries share with each other and with other partners.”

The delicate placing of the words and the lack of emphasis on Indo-Pacific are evident. The statement then goes on to refer to reaffirming the “ASEAN centrality as the cornerstone of a free, open and inclusive Indo-Pacific. They agreed to partner with other countries and forums in the region to promote a free, open, rules-based and inclusive order in the Indo-Pacific that fosters trust and confidence.”

There is an almost deliberate attempt on India’s part to play down the security angle of the quadrilateral meeting and place it within the larger context of ASEAN primacy.

Prime Minister Narendra Modi’s speech at the Shangri-La dialogue in June, in which he clarified that “India doesn’t see the Indo-Pacific Region as a strategy or as a club of limited members,” underlines New Delhi’s attempt to distinguish the Quad from the Indo-Pacific.

India had rejected Australia’s request to participate in the MALABAR naval exercise held by India, the US and Japan near Guam in June. Australia’s participation in the exercise would have been an excellent opportunity to demonstrate the military dimension of the Quad, but India’s refusal stemmed from its preference to avoid any confrontation with China.

Even since the “informal summit” between Modi and Chinese President Xi Jinping in April this year at Wuhan, India has been unwilling to risk the constructive elements of its delicate ties with China. The evolving dynamics of the Russia-India-China (RIC) mechanism, the Shanghai Cooperation Organisation (SCO) and BRICS can be seen as components of India’s balancing act between the US and China.

The year 2018 saw Indian and Chinese leadership engaging with each other. Indian Prime Minister Narendra Modi and Chinese President Xi Jinping met four times this year. First at informal Wuhan summit, followed by meets on the sidelines of SCO summit in China, BRICS in South Africa and G20 in Argentina. In 2019 the Chinese President Xi Jinping is expected to come to India for 2nd India-China Informal summit in India.

Significantly, India and China launched a joint programme on October 15 to train Afghan diplomats, brushing aside Pakistan’s opposition to closer India-China cooperation in Afghanistan. Referring to the new entente cordiale, Chinese Foreign Minister Wang Yi said: “China and India are active supporters of the Afghan peace process.” India’s External Affairs Minister Sushma Swaraj added: “I am very happy that we are charting a new course in partnership with China.”

### China

China has many competitive liabilities. It is bordered by 14 countries, many of which are highly unstable. RAND Corporation defence researcher Timothy Heath notes that the People’s Liberation Army’s ability to project military power is constrained by “the legacy of an obsolete command system, rampant corruption, and training of debatable realism.” Its demographic prognosis is bleak.

It has few, if any, genuine allies, and its approach to domestic governance has limited global appeal.

Its continued militarisation of the South China Sea is compelling members of “the Quad” to intensify defence cooperation with one another. Its signature geo-economic project, the Belt and Road Initiative, is encountering growing backlash in different countries. An increasing number of observers question its fiscal sustainability. China’s intensifying surveillance of its citizens and its mass internment of Uyghurs are receiving widespread attention. Its technological progression is eliciting heightened scrutiny.

Shadow of China will always loom large on any discussion on Indo-US relations. To understand Indo-US relations the larger context of China has to be understood. India has a land border of 4,400 km with China with a number of alleged border disputes. The rise of China after the Second World War as a new global power, second only to the US in a unipolar world, had to be profound and impactful. China realised that to become a global power she had to be a maritime power and accordingly in the 2012 18th Party Congress its desire to become a maritime power was declared. It has taken a number of steps to improve its Navy, infrastructure, proposed to build maritime silk routes, BRI, dominate littorals, to construct infrastructure in the islands of South China sea, etc. However, China’s mindset is that of a continental power unlike that of the US or erstwhile great power UK.

K.M. Panikkar said, “It is therefore ignorance that was responsible for India’s political downfall, ignorance combined with a lack of appreciation of geographical factors within India itself. India had neither a continental view like China or Persia, or an oceanic view like Japan. Today what we require is both a continental view and an appreciation of sea power.”

India being a continental power was guilty of neglecting sea power. That has been remedied to a large extent. But today there has been an overemphasis on maritime power ignoring land power. Wars are won on land. Other

services can facilitate that. India’s long border with China has a number of vulnerabilities. In the last Doklam incidence USA did not make any official statement.

India should not over-extend itself to South China Sea. Almost all our hydrocarbon imports come through our West Coast. When people highlight that about 35 percent of our trade goes through Malacca Strait, people forget the balance 65 percent are through West Coast.

India must make the Indian Ocean as its main area of interest. India should highlight its pluralistic character and non-military maritime activity in Indian Ocean region. Within Indo-Pacific the subset Indian Ocean should be our main interest. As Chinese and Japanese Naval Vessels ply regularly in Indian Ocean it is time Indian Navy should consolidate in IOR. India’s maritime interest should extend to Indonesia in the East as all the most critical straits are located there. All the Chinese naval vessels including submarines (nuclear powered) have to pass through them and can be put under surveillance. There are other world powers to look after security of maritime domain, East of Indonesia.

No great power likes the rise of another great power. The US will do everything to prevent the rise of China as a great power. It has successfully thwarted the Soviet Union and Japan. The US reacted with alacrity when Japan emerged as a direct economic competitor in the late 1980s, and pressed Tokyo to adopt all manner of export restraints and market openings.

But Japan and the US were allies, which meant the two sides’ trade wars were circumscribed by common security interests. China, by contrast, is a geostrategic, political and military rival, and a potentially much more formidable economic competitor than Japan ever was, if only because of its size. But China is different. It has linked its economy with the global market. Its products are world class. If China’s economy goes down there will be global upheaval in world economy, nobody is sure to what extent.

US policy toward China, once based on the premise that Beijing’s embrace of the market economy would

bring it closer to the Western political model, has now been turned on its head.

To prevent China's rise the USA has correctly identified the emerging technologies where USA is going to put restrictions. Fourteen "representative technology categories" in the November 19, BIS rule-making notice might lead one to conclude as such. The categories include AI and machine learning, biotechnology, microprocessors, data-analytics technology, quantum-computing technology, robotics and advanced materials.

However, this would have widespread ramifications. Countries like Japan and South Korea would be hugely affected. We are already seeing this. In spite of civilisational antagonism the Japanese Prime Minister visited China on October 26. EU will also be greatly affected. The place of China in the Indo-Pacific is important. India and Japan have made significant moves to build dialogue with China's President Xi.

It is clear that China is rattled by US trade sanctions and other actions. China underestimated Donald Trump. Till now China's rise has been phenomenal. In 1980, the US economy was nearly ten times the size of China's, and per capita GDP in the United States was more than 40 times China's. By 2017, the US economy, at just over \$ 19 trillion, was little more than one-and-one-half times the size of China's. Percentage of GDP of China among G20 countries today is 20 percent, up 2 percent from 2000. But today its economy is under tremendous strain. It is not clear what is going to happen.

China has moved rapidly "upscale," from low tech, low skilled, labour-intensive industries such as apparel, footwear and basic electronics to more capital and skills intensive industries such as computers, electrical machinery and motor vehicle parts. China has developed a rapidly growing trade surplus in these specific industries and in high-tech products in general.

Over the course of a decade, China has become the leading bilateral source of development assistance

globally, slightly surpassing the United States. Of course, the two countries look very different in the composition of their assistance. The United States mostly provides grant support in the health and humanitarian sectors, while China mostly provides loans to support infrastructure projects.

The Trump administration has identified China as a "revisionist" power in its National Security Strategy, which says that China seeks to replace the US in the Indo-Pacific and to reorder the region in its favour. China, for its part, sees the Trump administration's Indo-Pacific strategy as targeting China and it sees the US as launching a trade war to realise its objective of keeping China down.

**Decoupling.** "Decoupling" has now become new foreign policy buzzword. For the US the phrase is shorthand for the administration's commitment, through taxes, tariffs and other punitive measures, to disentangle its companies and their technologies from China's supply chains. The US had now decided that it would no longer "enable" China's rise. Instead, the US would pursue policies to protect its own interests much more directly. Trump envisages an extreme version of decoupling, to bring home to the US supply chains of all kinds, not just those involving technologies integral to national security. The idea is that the US government, either through tariffs or some other tax, will force US companies in key technology and industrial sectors to manufacture almost anywhere but China.

It is true that some regional countries might benefit from decoupling by luring multinationals now based in China to relocate to their countries. There is already evidence that Malaysia and Taiwan are trying to do just that. But, for most countries, including major industrialised allies like Japan and South Korea, decoupling plus "America first" might be difficult. The East Asian tigers see their economic ties with China as a lifeline to be managed, not severed. In trying to push China out of the global supply chain, Washington might end up hurting businesses in friendly countries, and their governments along with them.

Some regional economies may benefit from decoupling, by luring multinationals now based in China to relocate. There is already evidence that Malaysia and Taiwan are doing just that. Asia is home to the most important global supply chains—from electronics to textiles, to IT to cars—distributed across a vast range of countries. Due to the nature of these cross-border links and China's central role within them, a trade war with Beijing means a trade war with Asia.

Most of America's allies and partners in Asia, Japan, South Korea, Taiwan and Singapore and so forth, are far more integrated with China than they are with the US. They supply high-tech components, such as semiconductors, for the final assembly of products in China, often into factories which are owned by their multinationals. They also export into China. They will not necessarily follow Washington's lead.

Washington's new policy is to make its friends choose, between the US and China, the last thing many of them want to have to do, particularly on the terms Trump is contemplating.

Henry Paulson, Secretary of the Treasury under former US President George W. Bush and leading US China expert, sounds a strong warning on the decoupling strategy. He says decoupling is easier when you are actually a couple. But the United States and China are not a couple. They are part of an international economy that is multilaterally integrated on an unprecedented scale, especially within Asia.

The United States might well continue to pursue divorce through cutting back trade, capital and technology flows, but that is a cost no Asian country, including US allies, can readily afford, Paulson says. The cost is a function of their geography, of economic gravity and of the strategic reality in which they live day-by-day.

Every area of Beijing's Made in China 2025 technology master plan is dependent on foreign-owned integrated circuit technology, with much of it coming from five American manufacturers: AMD, Intel, Micron,

Nvidia and Qualcomm. Not surprisingly, key groups in the US semiconductor industry are worried about the collateral damage from an increase in sanctions and have been lobbying the Trump administration to exercise restraint—even while they have been complaining about Beijing's efforts to promote its own tech champions. Google's action to develop a search engine for China as per China's security requirement overlooking US concerns is a case in point.

### ASEAN

Southeast Asian nations have taken some time to warm to the Indo-Pacific concept. Some think that talk of the Indo-Pacific raises uneasiness about their own positioning within the region and appears dismissive of the enduring notion of ASEAN centrality. US engagement in the Indo-Pacific remains a core element of regional security.

Singapore's Prime Minister, Lee Hsien Loong, in his role as 2018 ASEAN host, reflects this view, affirming ASEAN's acceptance of the Indo-Pacific, provided the end result is "an open and inclusive regional architecture, where ASEAN member states are not forced to take sides." China's concerns about the Quad as a form of strategic design have found resonance in Southeast Asia—a clear reflection of China's growing regional and global influence. While most nations across the region have a "shared interest in preventing China's domination ... like Australia, they all have complex interdependent relationships with China, which they need to maintain in a reasonable state of equilibrium." An Indo-Pacific that seeks to contain China is a difficult pill for Southeast Asia to swallow. More importantly it threatens the traditional consensus and unity found within ASEAN.

There are fears that the widening of geostrategic focus will diminish the diplomatic centrality and relevance of ASEAN even though ASEAN-led meetings such as the East Asia Summit include India and are increasingly taking on an Indo-Pacific perspective. It is not lost on members that the Quad brings together four democratic countries with considerable hard power

resources that exceed those of ASEAN member states by a considerable margin. If groupings such as the Quad become more significant, many believe ASEAN centrality is inherently threatened. Democratic nations like South Korea and perhaps Indonesia may well become more interested in such groupings at ASEAN's expense.

### India's Options

Beyond symbolism lies a real dilemma for Indian policymakers: how to balance the competing interests of an evolving India-US strategic partnership against complex regional relationships with China, Russia, Iran and Saudi Arabia. Prime Minister Narendra Modi has invested considerable political capital in the Middle East, especially in Saudi Arabia and the United Arab Emirates (UAE). The US-Saudi axis has been a powerful force against Iran but recent events could seriously undermine that alliance.

The US' unilateral actions have put India in a diplomatic dilemma as India prefers to continue to have bilateral engagement with both Russia and Iran as both the countries are crucial given the historical and strategic relevance and also mainly due to its dependence for military assistance and energy cooperation on both these countries.

India is determined to retain its sovereignty and to make its decisions about its national interests based only on those national interests and not on the wishes of another government. When you have the US setting global policies that have an impact around the world, the US can expect its allies to fall in line. India is not an ally, and for the foreseeable future will not be an ally of the US.

The Indo-Pacific Command website portrays the transition point between the US Fifth Fleet and the US Indo-Pacific Command (USINDOPACOM) at Diego

### United States Indo-Pacific Command (USINDOPACOM) area of responsibility.



Source : <http://www.pacom.mil/About-USINDOPACOM/USPACOM-Area-of-Responsibility/>

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Garcia in the Indian Ocean. For India, the Indian Ocean territory extends beyond this point of Diego Garcia to the eastern shores of Africa. This transition point is critical to India's naval strategy. India's geopolitical and economic interest in the Western side of the Indian Ocean have a troubling relationship with the American Indo-Pacific strategy. India has requested greater cooperation between the US Fifth Fleet and the Indian Navy, and this is particularly difficult because of the way in which US military commands are currently structured.

India underscored its firm commitment to make the Indo-Pacific a region for shared economic growth as Prime Minister Narendra Modi, US President Donald Trump and Japanese Prime Minister Shinzo Abe on November 30 held their first trilateral meeting at the G-20 summit here, amidst China flexing its muscles in the strategic Indo-Pacific region. Asserting that India will "continue to work together on shared values," Modi said, "When you look at the acronym of our three countries—Japan, America, and India—it is

'JAI,' which stands for success in Hindi." The prime minister said the "JAI" meeting was a convergence of vision between the three nations. "This is a very good occasion for the three countries, countries which have shared values, democratic values ... We will continue to play a big role together for world peace, prosperity and stability," he said.

Prime Minister Narendra Modi, Chinese Premier Xi Jinping and Russian President Vladimir Putin on the same day held a trilateral meeting, the second among the three countries after a gap of 12 years, on the sidelines of the G-20 summit here to discuss cooperation in various areas. In a meeting characterised by warmth and positivity, the leaders discussed cooperation and coordination in various areas which could contribute to global peace and stability.

India has no option but to do tight-rope walking diplomatically between the US, Russia and China. In these rapidly changing scenarios India has to be quick-footed and adroitly handle relations between countries.

### Note

1. John Lee, "ASEAN Must Choose: America or China?" December 18, 2018, available at: <https://nationalinterest.org/print/feature/asean-must-choose-america-or-china-39067>

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