



GS FOUNDATION BATCH FOR CSE 2024

International Relations- 09

(India-USA Relations -II)

Indo-Pacific: It has emerged as a new geographical construct comprising of Pacific Ocean and Indian Ocean as a common geopolitical sphere. Its origin can be found in ex-Japanese pm Shinzo Abe's "**Confluence of the Two Seas**" speech to the Indian Parliament, where he referred to the "confluence" of the Indian and Pacific Oceans as "the dynamic coupling as seas of freedom and of prosperity in the broader Asia".



Significance:

1. Region accounts for 60% of the world's population and 2/3rd of the global economic output.
2. 60% of global maritime trade passes through the waters in the region.
3. The fastest growing emerging economies- ASEAN, India, China are from the region.
4. Geostrategic conflict points like South China Sea, Taiwan etc.
5. US policy of tackling competition from China, reassuring the allies etc.
6. China's rapid naval expansion, island building in the region has led to insecurity and conflicts in the region.

USA in the Indo-Pacific:

USA has said that India will be the most consequential partner in the Indo Pacific strategy. The US has signalled its increased commitment to the region with the newly proposed **Pacific Deterrence Initiative**, which will complement the **Asia Reassurance Initiative Act (ARIA)** to provide a more robust military presence.

Blue Dot Network (BDN) has been launched in 2019 by the US, Japan and Australia to bring together governments, the private sector, and civil society to certify projects that uphold global infrastructure principles.

Partners in the Blue Pacific (PBP): US and its allies- Australia, New Zealand, Japan and the United Kingdom have launched '**Partners in the Blue Pacific (PBP)**' for "effective and efficient cooperation" with the region's small island nations. The PBP is a five-nation "informal mechanism" to support Pacific islands and to boost diplomatic, economic ties in the region. It

aims at enhancing “prosperity, resilience, and security” in the Pacific through closer cooperation.

India vision on Indo-Pacific:

On June 1, 2018, Prime Minister Narendra Modi outlined India’s vision for the Indo-Pacific region in his speech delivered at the Shangri La Dialogue in Singapore.

India calls for a free, open and inclusive order in the Indo-Pacific, based upon respect for sovereignty and territorial integrity of all nations, peaceful resolution of disputes through dialogue and adherence to international rules and laws. India’s concept of the Indo-Pacific is inclusive in nature, and supports an approach that respects the right to freedom of navigation and overflight for all in the international seas.

At the East Asia Summit in 2019, the PM enunciated **Indo-Pacific Oceans Initiative**, listing its seven pillars:

- Maritime security
- Ecology and resources;
- Capacity building;
- Disaster risk reduction and management;
- S&T and academic cooperation;
- Trade,
- Connectivity and maritime transport.

Indo-Pacific Oceans Initiative is an Indian initiative for safe, stable and secure maritime domain, especially the Indo-Pacific Ocean region. The focus areas include enhancement of security, cooperation in disaster management and sustainable use of marine resources.

USA’s Indo-Pacific Strategy:

Vision of Indo-Pacific: The US will seek an Indo-Pacific that is **free and open, connected, prosperous, secure and resilient**.

Free: investing in civil society, a free press and democratic institutions.

Connections: Within and beyond the region.

- US will work in flexible groupings to tackle major issues, particularly through the **QUAD**.
- It will also deepen its (five) regional treaty alliances and work with groups such as **ASEAN, the European Union (EU) and NATO**.
- **AUKUS**, a security alliance between Australia, the UK and the US has also been recently launched.

Prosperity: To advance its prosperity goal for the region, the US’ strategy includes seeking higher labour and environmental standards, helping to establish secure supply chains, and investing in clean energy.

Security:

- The US has announced that “**Integrated deterrence**” will form the “cornerstone” of the US’ security plan for the region.
- It will drive initiatives that reinforce deterrence and counter coercion, such as opposing efforts to alter territorial boundaries or undermine the rights of sovereign nations at sea.

Resilience:

- Climate change is growing ever-more severe as South Asia’s glaciers melt and the Pacific Islands battle existential rises in sea levels.
- Further, the Indo-Pacific governments grapple with natural disasters, resource scarcity, internal conflict, and governance challenges.
- In this context, US envisages to build regional resilience to 21st century transnational threats, including by:
 - Working with allies and partners to develop 2030 and 2050 targets, strategies, plans, and policies consistent with limiting global temperature increase to 1.5 degrees Celsius.
 - Reducing regional vulnerability to the impacts of climate change and environmental degradation.

European Union Indo-Pacific Strategy:

- The strategy reinforces its presence and actions in the Indo-Pacific, including cooperation with regional partners for maritime security and **deepening of economic ties with India**.
- The renewed EU commitment to the Indo-Pacific, a region spanning from the east coast of Africa to the Pacific Island states, will have a long-term focus and will be based on upholding democracy, human rights, the rule of law and respect for international law.
- The move follows the adoption of Indo-Pacific strategies by key EU members such as France, Germany, and the Netherlands. All these policies envisage closer security and economic cooperation with India, which is seen as a key player in the region.
- The EU has opted to strike a fine line between cooperating with China on issues such as trade and investment and climate change and challenging its actions that go against a rules-based order.
- It also says that the EU will “**continue to explore deepening economic relations with India**.”
- The EU will also strengthen cooperation with partners on counter-terrorism, cyber-security, maritime security and crisis management, and a “meaningful European naval presence in the Indo-Pacific” is seen as important for the future.

USA initiatives to strengthen its partnership and Influence:

- USA and EU have committed to working together to ensure that the supply chains of the future are resilient, secure, and reflective of their values—including on labour. Both are aligning respective clean-energy incentives and are launching a negotiation on supply chains for critical minerals and batteries.
- US is working with Canada on clean energy supply, With Japan- agreements on cooperation on critical mineral supply chains.
- USA working with partners—in Europe, the Republic of Korea, Japan, Taiwan, and India—to coordinate approaches to semiconductor incentives.
- US expanding partnerships: with India—on everything from hydrogen to semiconductors, with Angola—on carbon-free solar power, with Indonesia—on its Just Energy Transition Partnership and with Brazil—on climate-friendly growth.

QUAD: An informal strategic dialogue forum between India, USA, Japan and Australia with a shared objective to ensure and support a “free, open and prosperous” Indo-Pacific region.

Evolution of QUAD:

- The maritime cooperation among the members after the Indian Ocean tsunami of 2004.
- **2007:** The dialogue was initiated in 2007 by Japanese Prime Minister Shinzo Abe, with the support of Australian Prime Minister John Howard, Indian Prime Minister Manmohan Singh, and U.S. Vice President Dick Cheney. It ceased with withdrawal of Australia during Kevin Rudd’s premiership because ambivalence in Australia’s policy over growing tensions between US and China in the Indo-Pacific.
- **2012:** The Japanese Prime Minister highlighted the concept of the '**Democratic Security Diamond**' in Asia, which includes the US, Japan, India, and Australia.
- **2017:** During 2017 ASEAN Summit, leaders of four nations agreed to revive the quadrilateral grouping in the light of growing dangers posed by China in the Indo-Pacific region.
- **2020:** All the four navies participated in their first joint exercise in November 2020.
- **In March 2021,** The Quad leaders met for the first time virtually.
 - working groups on COVID-19 vaccines, climate change, and technological innovation and supply-chain resilience were formed.
 - **The leaders launched** Quad Vaccine Partnership, to help enhance equitable access to safe and effective vaccines in the Indo-Pacific and the world. They pledged to donate 1.2 billion vaccine doses globally.
 - The leaders released a joint statement titled '**The Spirit of the Quad**' stating that it strives for “a region that is free, open, inclusive, healthy, anchored by democratic values, and unconstrained by coercion.”
- **In September 2021, four leaders met in-person for the first time and put forward an ambitious agenda for practical cooperation in 21st Century:** ending the COVID-19

pandemic, including by increasing production and access to safe and effective vaccines; promoting high-standards infrastructure; combatting the climate crisis; partnering on emerging technologies, space, and cybersecurity; and cultivating next-generation talent in all of our countries.

Significance:

- Engagements raised to the summit level. Frequent summit meetings underscore the importance attached to the platform.
- Diversified to include vaccine distribution, Climate change and critical and emerging technologies so that other smaller nations may be engaged.
- In March 2020, 3 more Indo-Pacific nations New Zealand, South Korea and Vietnam were included in the discussion, which has been touted as QUAD Plus.
- USA changed its Pacific command name to Indo-Pacific Command.
- China has continuously criticised it as “Asian NATO”, tool for containing and besieging China to maintain US hegemony” and to “stoke confrontation and undermine international solidarity and cooperation”.

Convergences:

1. Shared commitment to the peace, prosperity, rule-based order, and free and open Indo-Pacific.
2. All nations affirm to the centrality of ASEAN in the Indo-Pacific region.
3. All members have shared concerns about China’s rise and resultant instability which can impact their interests in the region and beyond.
4. All four nations are democracies and share common pluralistic culture.

Challenges:

1. **Different world views:** While USA wants status-quo (Uni-polar world led by the USA) other nations want a multipolar global order.
2. China remains the biggest trade partner of all the for nations. This further limit scope for cooperation based on anti-China agenda.
3. **Difference in geography** with respect to China leads to differing geostrategic options for the members.
4. **Absence of economic and security dimension** in QUAD. The grouping remains informal with ad-hoc agenda.
5. India has a policy of **strategic autonomy** while Japan and Australia are allies of the USA.
6. Emergence of new groupings like **AUKUS** may reduce US focus on QUAD.

Suggestions:

1. Nations can go for signing of FTA to deepen economic cooperation and reduce dependence on China.

2. There is need for a free and frank conversation among members to understand each other's geopolitical compulsions.
3. There is need for USA to accommodate India's interests rather than dictating its unilateral agenda.

Supply Chain Resilience Initiative (SCRI):

In April 2021, India, Japan and Australia launched the Supply Chain Resilience Initiative (SCRI) to build resilient supply chains in the Indo-Pacific region as they seek to reduce dependence on China.

- The SCRI aims to create a virtuous cycle of enhancing supply chain resilience with a view to eventually attaining strong, sustainable, balanced and inclusive growth in the region.
- Initial projects of SCRI: (i) sharing of best practices on supply chain resilience; and (ii) holding investment promotion events and buyer-seller matching events to provide opportunities for stakeholders to explore the possibility of diversification of their supply chains.
- Meetings to be held at least once-a-year to provide guidance to the implementation of the SCRI as well as to consult on how to develop the Initiative.
- Expansion of the initiative to be based on consensus.

AUKUS:

AUKUS is a trilateral security pact between Australia, the United Kingdom, and the United States, announced in September 2021 for the Indo-Pacific region. Under the pact, the US and the UK will help Australia to acquire nuclear-powered submarines.

The pact also includes cooperation on "cyber capabilities, artificial intelligence, quantum technologies and additional undersea capabilities".

Partnership for Global Infrastructure and Investment (PGII)

USA has launched a major effort to close the infrastructure gap in low- and middle-income countries under the "**Partnership for Global Infrastructure and Investment (PGII)**." PGII will mobilize hundreds of billions of dollars in energy, physical, and digital infrastructure financing between now and the end of the decade.

US has said that unlike the financing that comes in the Belt and Road Initiative, projects under PGII are transparent and high-standard and in service of long-term, inclusive, and sustainable growth.

USA and China

USA state department document: China is the greatest long-term challenge and the one nation with the power and resources to reshape the US-led order to its advantage.

USA has put restrictions on semiconductor technology exports to China on grounds of national security concerns.

US is also screening foreign investments in critical areas relevant to national security and outbound investments in sensitive technologies with a core national security nexus.

USA and EU have talked about de-risking and diversifying, not decoupling. US President Biden has talked about competing with China on multiple dimensions, but no confrontation or conflict. He has also said that the United States and China can and should work together on global challenges like climate, like macroeconomic stability, health security, and food security.

In November 2023, US and Chinese presidents held dialogue in California, on the sidelines of APEC summit. Both leaders agreed to establish a direct line of communication with one another. Both sides also agreed to restore military-to-military communications to lower the risk of misunderstanding.

USA-China Trade War:

USA- China bilateral trade is around \$758.4 billion (2022) with US imports at \$562.9 billion and exports at \$195.5 billion.

- The United States and China have been engaged in a trade war since March 2018, when President Trump announced 25% tariffs on steel and aluminium imports which was further expanded to Chinese products like chemicals, electrical machinery, and auto parts. In retaliation, China imposed tariffs on U.S. agricultural products, metals, and other manufactured goods. It led to further imposition of tariffs and counter tariffs.
- **Holding Foreign Companies Accountable Act** which allows U.S. authorities to remove foreign firms from stock exchanges if they fail to comply with U.S. audit rules for three years. It could require firms to disclose any Chinese Communist Party members on their boards.
- Executive order barring U.S. investors from buying exposure to firms deemed linked to the Chinese military after November 2021.
- The list of "Communist Chinese Military Companies" was mandated by a 1999 law, drawn up in 2020. It has companies like SMIC, China's biggest chipmaker, oil company CNOOC and surveillance firm Hikvision. The order prohibits US investors from purchasing or investing in securities of these companies.
- Executive order banning transactions with eight Chinese software applications, including Ant Group's popular Alipay.
- The Biden administration has continued with export control to China. In October 2023, **US Commerce Department Added 42 Chinese Entities to Export Control List for Support to Russia's Military**. In October 2023, US Department of Commerce (DOC) tightened export restrictions on advanced computing semiconductors, semiconductor manufacturing equipment, and supercomputing items to China.