

# Chapter 1

# Australia, India and the Indo-Pacific Concept

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Australia and India went from objects or receiving end of the emerging “Indo-Pacific” concept in the US policy of rebalance to Asia, to subjects or active participants in shaping the vision. The Australian and Indian positions have three common features. Both attach importance to the Indian Ocean as a trade route, have great economic interdependence with China, and emphasize the principle of “rule-based order.” On the other hand, they have largely differing views on the relative decline of US power. Whereas Australia has concerns over the decreasing US presence, India considers it an opportunity to shoulder the US responsibility of maintaining order. In summary, the “Indo-Pacific” concept for the two countries appears rooted in an attempt to manage and adjust their relationships with China and the United States so as not to undermine their own national interests.

The “Indo-Pacific” concept for Australia is underpinned by its perception of the end of a US-centered regional order and Australia’s need to adapt to the strategic competition and cooperation between the United States and China. The actions of the Donald Trump administration related to existing bilateral and multilateral agreements have heightened Australian concerns. The United States and Australia have maintained steady defense cooperation that has stayed along the same track; conversely, no new initiatives for strengthening the cooperation have been announced since the establishment of the Trump administration. Meanwhile, Australia’s relationship with China has worsened over matters such as the South China Sea issue, China’s acceleration of infrastructure investment in Australia, and interference in domestic politics, which in turn has reinstilled in Australia the difficulty of engaging with China. Amidst the challenges with maintaining and deepening relations with the United States and China, Australia is exploring network diplomacy to strengthen its collaboration with “Indo-Pacific” countries other than the United States and China.

The “Indo-Pacific” concept for India is underpinned by the perception that the country is a net security provider in the “Indian Ocean Region” and by the US endorsement of this role. In the western side of the Indian Ocean, India provides capacity building assistance to smaller island countries and takes unilateral initiative to make regional frameworks in order to counter China’s advancement into the Indian Ocean which India believes is its sphere of influence since the mid-2000s. On the eastern side of the Indian Ocean, on the other hand, India carries out value diplomacy that stresses cultural ties and common values, in order to enhance cooperation with the Association of Southeast Asian Nations (ASEAN).

## 1. Australia, India and the Indo-Pacific Concept

This chapter examines how Australia and India have been involved in the formulation of the “Indo-Pacific” vision. How do they perceive the region? What are their interests in and concerns for the region? The reason for discussing the cases of Australia and India is that the United States, which proposed the “Indo-Pacific” early on, envisioned the two countries as being its natural components. When US Secretary of State Hillary Clinton used the “Indo-Pacific” term in an address in October 2010 and in her article released in October 2011, Clinton mentioned the “Indo-Pacific” in reference to naval cooperation with India and the alliance with Australia, respectively.<sup>1</sup> Shortly after Clinton’s address, US President Barack Obama delivered an address to the Indian Parliament. In the address, he vowed that the United States and India, as global partners, will fulfill a shared responsibility towards economic growth, peace and stability, and promoting democratic rule in Asia and the world. In addition, in an address delivered to the Australian Parliament in 2011, President Obama identified US-Australia military cooperation as a measure for the United States to remain in the region as a “Pacific nation.” It can thus be said that the US rebalance to Asia policy attaches importance to India and Australia as partners of the United States, and that “Indo-Pacific” was introduced as a vision to enshrine this.<sup>2</sup> In this manner, Australia and India were originally brought into the policy as objects of the “Indo-Pacific” vision. Later, the two countries themselves inputted ideas for the vision through dialogues with the United States and engagement with regional countries. The next and following sections take a closer look at the involvement of Australia and India and the underlying policy orientations. But first, a general outline is provided here of the similarities and differences between the two countries.

First, it should be borne in mind that the “Indo-Pacific” concept for both countries is rooted in an attempt to manage and adjust their relationships with China and the United States, so as not to undermine their national interests. The two countries differ, however, in their perception of the relative decline in US power. As explained in further detail in Section 2, Australia is sensitive to the relative decline in US power and has concerns about having to choose between US-Australia alliance and engagement with China.<sup>3</sup> For India, on the other hand,

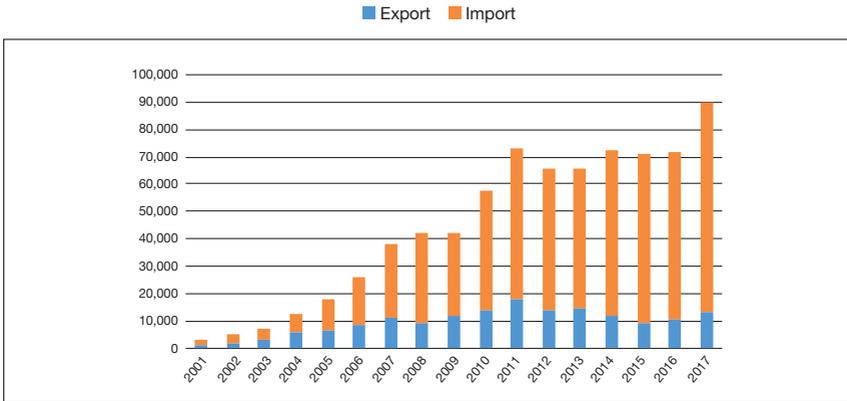
the relative decline in US power offers an opportunity to gain prestige by sharing the US responsibility of maintaining order. Such distinctions between the two countries have led to differences in their approach to engagement with the United States. The US rebalance policy expects India to play the role of “net security provider” in the region, and India is forthcoming to this role.<sup>4</sup> That said, this is no more than at the perception level and has not translated into collaboration at the operational level. In contrast, Australia has implemented policy in support of US deployments to the region, including accepting deployments of a company-size rotation of US Marines in Darwin and the Northern Territory since 2012. Furthermore, enhancement of US-India engagement since 2010 can be seen as US investment in India’s future, which, in the short-term, gives larger relative gains to India. They include the United States’ transfer of equipment and technology to India to a level commensurate with that of its closest allies and partners. Such benefits will likely become larger the more the United States sees China as a disruptor of order that does not abide by the rules. While India has room to expand its set of options by balancing China and the United States, Australia is compelled to make more difficult adjustments to ensure its relationships with China and the United States do not become incompatible.

Secondly, Australia and India both attach importance to the Indian Ocean as a trade route. The importance Australia places on the Indian Ocean can be observed in the 2013 *Defence White Paper*, which is considered the country’s first official document to cite “Indo-Pacific.” The white paper expresses the view that the Indian Ocean is developing into a trade corridor surpassing the Atlantic and Pacific oceans, and states that as Australia has vital interest in the security of the sea lanes of the Indian Ocean, the Indian Ocean will be featured in its defense and security planning.<sup>5</sup> As for India, it has already devoted a chapter to the geopolitics of the Indian Ocean Region in the 2007 *India’s Maritime Military Strategy*. In the Ministry of Defence’s *Annual Report 2009-2010*, it states that the Indian Ocean Region is crucial to the development of India’s economy.<sup>6</sup> Australia and India have a concurrent view that the importance of the Indian Ocean makes India’s role essential. Australia states the need to prioritize its relationship with India, given the importance of the Indian Ocean. At the same time, India contends that its importance will increase, given that the Indian Ocean offers vital trade routes for other countries.

Thirdly, Australia and India both have great economic interdependence with

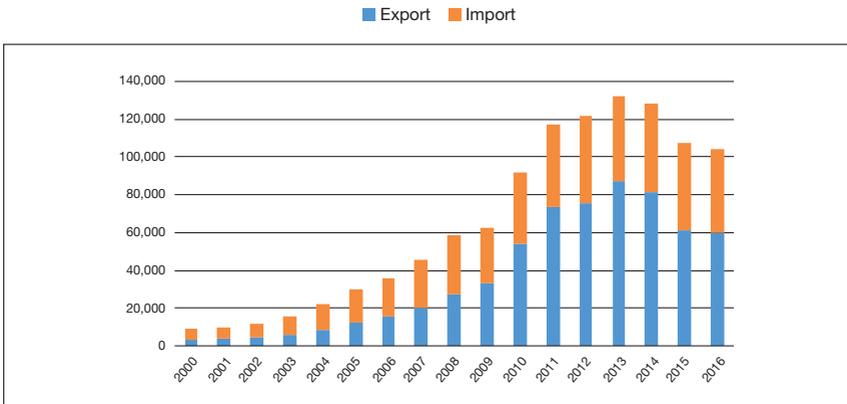
China. India's trade with China began to expand rapidly in around 2003, while Australia's in around 2010. China replaced the United States as India's largest trading partner in 2007.<sup>7</sup> Meanwhile, China replaced Japan as Australia's largest export destination in 2008, with China now accounting for one-third of Australia's exports and 20% of its imports.<sup>8</sup> Furthermore, for both countries, the entry into strategic partnerships with China was preceded by increases in

Figure 1.1. India's trade with China (US\$ million)



Source: Export Import Data Bank of the Department of Commerce, Ministry of Commerce and Industry, India.

Figure 1.2. Australia's trade with China (US\$ million)



Source: UN Comtrade Database, Department of Economic and Social Affairs, United Nations.

bilateral trade (the India-China strategic partnership was established in 2005 and Australia-China's in 2013). It can thus be observed that engagement with China is critical to the economic growth strategies of the two countries.

Fourthly, while Australia and India initially had a different interpretation of “rule-based order,” there appears to be a convergence of their ideas in recent years. “Rule-based order” is embedded in Australia’s national defense policy. In Australia, “rule-based order” originally referred to global contexts such as the Proliferation Security Initiative (PSI) and United Nations (UN) peace operations. It then gradually came to be used in the context of urging China to take responsible actions.<sup>9</sup> For India, on the other hand, “rule-based order” is not an indigenous concept and is scarcely used in national defense or foreign policies. India strongly views that the rules of the financial and trade systems of institutions such as the International Monetary Fund (IMF) and the World Trade Organization (WTO) are Western-led rules and do not reflect the interests of developing countries. India adopts the same view also towards security initiatives taken by a US-led coalition, including PSI. An exception is the principle of “freedom of navigation.” Ever since joint resource development with Vietnam in the South China Sea got entangled into a dispute with China in 2011, India has repeatedly emphasized “freedom of navigation” at ASEAN Regional Forum (ARF) Ministerial Meetings and US-India defense ministerial meetings. The *Indian Maritime Security Strategy* of 2015 makes references to “freedom of navigation,” a term not used in India’s previous maritime strategies and doctrines, underscoring the importance of the principle for both the international community and India. For India, “rule-based order” refers primarily to the rules of the UN Convention on the Law of the Sea (UNCLOS).<sup>10</sup> While Australia’s “rule-based order” has broader coverage, in the context of the “Indo-Pacific” it refers to rules supporting a free and open trading system.<sup>11</sup> In this regard, there seems to be a convergence in the usage of the term between the two countries.

The gradual convergence of views on the concept of order seen between Australia and India is also increasingly observed among parties to the so-called Indo-Pacific region. This is demonstrated acutely in the press release regarding the Japan-Australia-India-US quadrilateral consultations held in Singapore in June 2018, which contained the phrase, “shared support for a free, open, and inclusive Indo-Pacific region.” The press release identifies “rules-based order,” “development and connectivity,” “maritime cooperation,” and “ASEAN

centrality” as pillars of a “free, open, and inclusive Indo-Pacific region.” These principles were reiterated in the address by US Secretary of Defense James Mattis at a change of command ceremony for the renaming of the US Pacific Command to the “Indo-Pacific Command” in late May, as well as in the keynote address by Prime Minister Narendra Modi of India and the remarks by Secretary Mattis at the IISS Asia Security Summit (Shangri-La Dialogue) in June. Some scholars draw linkages between the “Indo-Pacific” vision and the revitalization of Japan-US-Australia-India quadrilateral cooperation (Quad), and stress the fragility of the “Indo-Pacific” vision, noting India’s passiveness towards the quadrilateral cooperation.<sup>12</sup> Nevertheless, based on the position that the “Indo-Pacific” vision cannot be reduced to quadrilateral cooperation, it can be assessed that the “Indo-Pacific” vision has—in six months’ time since the United States announced the National Security Strategy at the end of 2017—come to be accepted among Japan, Australia, India, and the United States as a concept of “regional order” based on “shared values” involving ASEAN member states. While ambiguity remains over what the “shared values” are and according to what standard such values are deemed to be adhered, countries that have broadly accepted “Indo-Pacific” as a concept of order are currently defined as members or resident states. The questions of whether China will be newly eligible to join the “Indo-Pacific,” whether there will be a division of roles internally, and to what extent and how US commitments will be secured will likely continue to be subject to various negotiations and bargaining. Borrowing the words of Yoshinobu Yamamoto, countries are vying in a competition or game to manipulate symbols that stand for the Indo-Pacific.<sup>13</sup> Sections 2 and 3 below take a look at the Australian and Indian games.

## 2. Australia's Perception of the Indo-Pacific

### (1) The End of a US-Centered Order

Over the last decade, Australia has gradually changed the concept for its region from the existing Asia-Pacific to Indo-Pacific. The largest driving factor behind it was the relative decline in US power. In the *Foreign and Trade Policy White Paper* released in 1997 and the *Defence White Paper* released in 2000, the John Howard Coalition government (1996–2007) at the time vowed that US primacy is the most important foundation supporting peace and prosperity in the Asia-Pacific region, and from this perspective, consistently pursued a policy of sustaining and deepening the Australia-US alliance relationship even after the Cold War.<sup>14</sup> The first Australian government that made a clear revision to this US-centered perception of the Asia-Pacific was the Kevin Rudd Labor government (2007–2010, 2013). The Rudd government asserted that the US unipolar era was ending and that a more multipolar Asia would emerge. The 2009 *Defence White Paper* prepared by the Rudd government refers to the area stretching from the Indian Ocean to the Pacific Ocean, home to a number of long-term rising nations, including China, India, and Indonesia, as the “wider Asia-Pacific”—a notion that could be considered the origin of the current Indo-Pacific regional concept.<sup>15</sup> The Julia Gillard Labor government that followed the Rudd government parted more explicitly with the US unipolar Asia-Pacific concept, and adopted Indo-Pacific as an official term for its security policy characterized by competition and cooperation among multiple players, including the United States and China. This change in concept from Asia-Pacific centered on the United States to a more multipolar Indo-Pacific, beginning under the Labor government, has been upheld by the Coalition government (Prime Minister Tony Abbott: 2013–2015; Prime Minister Malcolm Turnbull: 2015–2018; Prime Minister Scott Morrison: 2018–present), which is still in power through the end of 2018 when this was written. As a result, Indo-Pacific has become a concept with bipartisan support from the two largest political parties in Australian politics. *The 2016 Defence White Paper* and 2017 *Foreign Policy White Paper* unveiled by the Coalition government conceptualize Indo-Pacific as Asia where the United States and China cooperate and compete as the most powerful players, similar to the concept of the previous Labor government, and indicate Australia's intention to focus on the Indo-Pacific

as a priority area for its diplomacy and security.<sup>16</sup>

The Australian view which underpins its Indo-Pacific concept, namely, that the era of US-centered regional order is ending, has been further reinforced by the emergence of the Trump administration. Minister for Foreign Affairs Julie Bishop of Australia, in a policy address delivered at the Chatham House in London in July 2018, gave developments in US foreign policy as one of the major challenges to the rule-based international order.<sup>17</sup> She stated, “The United States is now favouring a more disruptive, often unilateral, foreign and trade policy that has heightened anxieties about its commitment to the rules-based order.” No sitting Australian foreign minister has criticized the United States in such an overt manner in the last 20 years, as far as this author can tell. It goes without saying that underlying Australia’s stance towards the United States is discomfort with the foreign policy of the Trump administration. From immediately after its inauguration, the Trump administration has repeated rhetoric and conduct that almost seem to nullify one of the existing US-Australia collaborations. In January 2017, soon after taking office, President Trump suggested that he may reconsider a US-Australia agreement from the previous Obama government regarding US acceptance of some of the vast number of asylum seekers who arrive in Australia through maritime routes.<sup>18</sup> In response to such actions of the new US government, the Turnbull Coalition government at the time began negotiations with the United States, and upon discussing between the leaders, ultimately succeeded in maintaining the agreement for the time being. In the latter half of 2017, when it seemed that the Trump administration might impose additional tariffs on steel and aluminum imports, Australia conducted negotiations to exclude Australian exports to the United States from its high tariffs, and a bilateral agreement was reached.<sup>19</sup> In these cases, Australia ultimately succeeded in settling the disputes in a manner that approximates its desired outcome. Nonetheless, they were a case in point of the Trump administration’s style of not giving special treatment to countries, even if they were long-time allies. In addition, the US withdrawal from the Trans-Pacific Partnership (TPP) agreement which Australia had attached importance to from not only the economic but also the security perspectives, was construed as manifesting the Trump administration’s unilateralism and skepticism towards multilateral agreements. Moreover, there were widespread views in Australia that the withdrawal made the continuity of US engagement as a Pacific nation uncertain.

Amid the rising concerns over Australia-US relations and the US role in the region, defense cooperation between Australia and the United States appears to be relatively steady. The Marine Rotational Force-Darwin (MRF-D)—the first initiative of the US-Australia Force Posture Initiatives agreed during the Obama government—was initially a rotation of approximately 200 Marines when it was launched in 2012. In 2018, it has grown in size, capable of deploying approximately 1,600 Marines, six M777 Howitzers, and eight MV-22 Ospreys, and conducted trainings with the Australian Defence Force (ADF) and Indo-Pacific countries. Against this backdrop, infrastructure development projects have been under way in such key areas as port facilities and encampments in around Darwin, the base of the deployments, with a view to future expanding the marine presence to 2,500 personnel.<sup>20</sup> The second pillar of the Initiatives, Enhanced Air Cooperation (EAC), has strengthened cooperation between US-Australia air forces since February 2017, such as joint trainings that contribute to the operations of the fifth generation fighters of the Royal Australian Air Force, enhanced deployments of the US Air Force’s B-52 and B-1 to Australia, and long-distance transports by large transport aircraft. However, these are all activities which were agreed prior to the Trump administration, and no new noticeable initiative for boosting US-Australia defense cooperation has been announced in the past two years. While Australia-US Ministerial Consultations (AUSMIN) have already been held twice under the Trump administration, their joint statements do not mention concrete steps for strengthening the bilateral defense cooperation.<sup>21</sup>

## **(2) Worsening Australia-China Relations**

As a shadow is cast upon the once overwhelming power and role of the United States, Australia pays close strategic attention to China’s rise and the outcome of the US-China strategic competition and cooperation, as one of the key factors that will shape the future of the Indo-Pacific region. For example, in the *Foreign Policy White Paper* that the Coalition government released in 2017 for the first time in 14 years to set out Australia’s long-term foreign policy, the government underscores the impact of China’s rise with unprecedented wording. The white paper notes that, while the United States remains the preeminent global power with respect to comprehensive state power, China has emerged as a nation with influence already surpassing that of the United States in many areas and “China

is challenging America's position." It goes on to state that the external actions of the United States and China, respectively, and their interactions will become the primary factors that shape the Indo-Pacific order. The white paper reiterates that, from this perspective, Australia will continue to strengthen its relationship with the United States while expanding engagement with China, and aspire to enhance the stability of its relationship and cooperation with rising China.

Nonetheless, Australia-China relations have rapidly worsened in the last two years for the three reasons below, which in turn has led Australia to recognize anew the difficulty of engaging with China. The first reason is conflict of opinions over maritime stability in the Indo-Pacific. In a keynote address which Prime Minister Turnbull delivered at the Shangri-La Dialogue in June 2017, he introduced a "dark view" of China's future and alerted that a fear prevails in and outside the region that China may apply pressure on neighboring countries and may not adhere to international rules.<sup>22</sup> In this context, the issue that Australia follows most closely is the dispute over the waters and territory in the South China Sea. Australia views that the stability of these seas, which constitute an important trade route, and compliance with international rules are a critical touchstone of what kind of power China will become. Australia itself conducts routine patrol activities in the South China Sea based at the Butterworth Air Base in Malaysia, participates regularly in the US-Philippines joint exercise Balikatan, and carries out AP-3C patrol training in the South China Sea, in accordance with the Five Power Defence Arrangements (FPDA). In addition, the Australian Department of Defence has announced it will modernize the Butterworth Air Base in Malaysia, which is said to introduce facilities looking ahead to the deployment of the F-35, according to media reports.<sup>23</sup> China condemns many of these Australian activities as interference in its disputes by a foreign country not party to the disputes. It is reported that, in recent years, the Chinese People's Liberation Army has warned Australian AP-3Cs that were conducting monitoring activities, as well as naval frigates sailing in the South China Sea towards Ho Chi Minh, to leave the area.

As China rises and uncertainty is cast upon the overwhelming power of the United States, Australia has put forward a plan to give further priority to Indo-Pacific maritime stability in its national defense policy proposal. The 2016 *Defence White Paper* outlining Australia's long-term defense policy makes a clear break from its long-time focus on two force structure determinants of the ADF: defense of Australia, and stability of its "immediate neighbourhood,"

including Papua New Guinea and South Pacific island nations. The 2016 white paper presents a direction for establishing defense policy in a broader context. Specifically, it states that, in addition to its existing measures, Australia will newly fulfill a substantial role for the stability of the Indo-Pacific region centered around maritime Southeast Asia and build a force structure necessary for contributing as much as possible to maintaining a rule-based international order. In this context, a special importance and emphasis are placed on the stability of the South China Sea and “freedom of navigation.” Therefore, development of maritime capabilities, in particular, is identified as a “key focus.” The white paper lays out a plan to increase submarines, introduce new frigates with high anti-submarine capabilities, and introduce new patrol aircraft such as the P-8 Poseidon and MQ-4C Triton. These equipment introductions of course had been decided prior to the release of the *Defence White Paper*. In the white paper, a policy was set out to significantly increase the defense budget necessary for executing these equipment introductions, raising it from 32.3 billion Australian dollars in the 2015–2016 fiscal year to 42.4 billion Australian dollars in the 2020–2021 fiscal year, or 2% of GDP. Following the release of the white paper, Australia newly announced that a total of 7 billion Australian dollars will be spent on developing and introducing the MQ-4C Triton, one of the stated reasons being the future activities of the ADF in the South China Sea.<sup>24</sup>

The second reason for the worsening Australia-China relations is Australia’s heightening sense of wariness towards China’s infrastructure investments in its country and neighboring areas. In August 2018, then Treasurer Morrison decided to de facto ban Chinese companies Huawei and ZTE from participating in the Australian fifth generation (5G) communications equipment market. The Australian government explained its position that, for national security reasons, companies under the extrajudicial influence of foreign governments cannot be permitted to carry out communications projects in the country.<sup>25</sup> Furthermore, in April 2018, when it seemed that a Chinese company may participate in an undersea communications cable project that connects the Solomon Islands, Australia, and Papua New Guinea in the South Pacific, the Australian government funded a majority of the project’s expenses to prevent a foreign country’s influence from increasing, and also decided to protect communications networks that transit Australia.<sup>26</sup> Similarly, in 2016, when State Grid Corporation of China and Cheung Kong Infrastructure Holdings Ltd. planned to acquire the electricity

distribution company Ausgrid in New South Wales in Australia, the Australian federal government decided not to allow this as it was “contrary to the national interest.” Moreover, in 2015, when Chinese investors considered participating in an acquisition of an Australian company that owns a vast farmland (equivalent to the size of the area of South Korea) in South Australia, the Australian government did not permit this. One of the reasons given was that the land is adjacent to the military’s firing range, the Woomera Test Range.

Amidst deepening concerns over participation in infrastructure projects by Chinese companies and capital, Australia continues to take a cautious approach to China’s Belt and Road Initiative (BRI). On the occasion of the visit to Australia by Li Keqiang, Premier of the State Council, in March 2017, a cooperation agreement was under review, which included a memorandum enshrining Australia-China cooperation on the BRI. Ultimately, Australia decided to postpone the signing.<sup>27</sup> While China has always called for collaboration between the BRI and Australia’s large-scale development project on the northern side of the Australian continent, Australia has not responded in a forward-looking manner. In the latter half of 2017, the two governments signed a memorandum on bilateral cooperation on the BRI. Not disclosing its content, Australia is able to make the bilateral consultations on the BRI not very noticeable. In October 2018, when it came to light that the government of Victoria, a local government, had signed a cooperation memorandum on the BRI with China, Prime Minister Morrison expressed displeasure, noting that sufficient consultations should have been held with the federal government in advance. This incident has once again fueled controversy in Australia over the pros and cons and manner of cooperating on the BRI.

Australia’s cautious stance towards the BRI stems from the above-mentioned heightened wariness towards Chinese corporate activities in the country, as well as concerns over China’s development assistance and economic activities in the South Pacific. In January 2018, Concetta Fierravanti-Wells, Minister for International Development of Australia, publicly condemned that China is building massive infrastructure not useful to economic development on South Pacific island countries and that China is imposing massive debt onto the recipient countries.<sup>28</sup> For many years, Australia has remained cautious about the rising influence of foreign powers in the South Pacific, and signs of China’s increasing activities have provoked Australia’s traditional views of security.

Against the backdrop of the Australian government's continued regulations and criticisms of China's economic activities, the Chinese government has intensified its protests. Lu Kang, Spokesperson of the Ministry of Foreign Affairs of China, condemned the Australian government, stating that it must correct its "prejudice" towards Chinese companies, and protested that the criticisms regarding China's activities in the South Pacific are unfounded. In and after 2015, when Australia began to incrementally step up regulations on investment activities from a security perspective, Chinese investment in Australia declined rapidly temporarily. China's increasing infrastructure investment and the regulations and countermeasures of the Australian government have sparked domestic debates that are critical of the government's approach towards China.<sup>29</sup> Some strongly advocate that Australia should strengthen collaboration on the BRI and welcome Chinese investment and development cooperation in a more forward-looking manner, so as to prioritize economic relations with China including infrastructure projects. The Australian government thus finds itself in difficult waters, steering between strengthening economic relations with China and making security considerations.

The third and largest reason for the worsening Australia-China relations is intensifying concerns over China's interference in Australian domestic politics and society. In January 2018, Senator Sam Dastyari, a leading member of the largest opposition party, the Labor party, took responsibility for a series of controversies over alleged links with the Communist Party of China (CPC) and resigned.<sup>30</sup> Dastyari was reportedly courted including receiving funds from Huang Xiangmo, a Chinese businessman and Chairman of the Australian Council for the Promotion of Peaceful Unification of China, thought to be under the leadership of the CPC Central United Front Work Department. Dastyari had long been a target of criticisms in the Parliament and the media. As it became known, he had commented that the South China Sea situation was "a matter for China" and Australia should not be involved, deviating largely from the policy of his party. Furthermore, when it is found that Dastyari warned Huang Xiangmo that Australian intelligence agencies could be monitoring him and that his phones may be tapped, this instantly drew sharp criticism that an Australian Parliament member had received funds from a figure affiliated with the Chinese government and behaved in a way that benefitted Chinese interests. Ultimately, Dastyari was forced to resign. Additionally, the series of controversies related to Dastyari led

to widespread discoveries that both the ruling Coalition and the largest opposition party, the Labor party, had received funds from Chinese individuals, including Huang Xiangmo, or Chinese companies. As a result, from the latter half of 2017, discourse spread rapidly warning Australia's entire political community of China's infiltration and interference.

In response to the controversies surrounding the political community, the Coalition government passed the new Foreign Interference Laws in June 2018 with support from the Labor party. Prime Minister Turnbull justified the legislation by stating that "the Australian people stand up," bringing to mind the famous slogan uttered by Mao Zedong, and noted that submitting the legislation will likely lead to China taking a step back from Australia. In this way, members of the government and the ruling party discussed almost openly that countering China was one of the purposes for proposing the legislation.<sup>31</sup> China lodged political protests against Australia's criticisms of China, and as a consequence, bilateral political relations clearly worsened. At the Australia-China foreign ministers' meeting held on the sidelines of the G20 Buenos Aires Foreign Ministers' Meeting in May 2018, Minister of Foreign Affairs Wang Yi told Minister for Foreign Affairs Bishop that China will not interfere in the domestic affairs of other countries and Australia should stop seeing China through "tinted glasses."<sup>32</sup> In addition, Foreign Minister Wang Yi made a point of emphasizing that the meeting was not a formal foreign ministerial strategic dialogue between two countries but an informal exchange of views held at Australia's request, displaying both domestically and internationally that bilateral political relations had worsened. Moreover, when Minister for Trade Steven Ciobo visited China that same month, a trade ministerial meeting could not be held, notwithstanding Australia's proposal, and he faced an unprecedented situation of returning to Australia without de facto holding any intergovernmental exchanges.

Australia-China relations have not, however, retreated entirely. For example, in August 2018, the Chinese Navy participated for the first time in "Kakadu," a multilateral combined exercise hosted by Australia, and deployed the frigate Huangshan. In the following month, September, the Australia-China ground exercise "Pandaroo" was held as scheduled in the suburbs of Canberra. Against this backdrop, in October 2018, Prime Minister Morrison expressed a willingness to improve their relations, sending out a public message that he attaches importance to Australia-China relations and welcomes an increase in Chinese

students to Australia and investments in the country. Even while the bilateral relationship has deteriorated, Australia has not changed its intention to expand engagement and cooperation with China, an important economic partner and a country with significant influence on the future Indo-Pacific order. In November 2018, Minister for Foreign Affairs Marise Payne visited China and held a regular Foreign and Strategic Dialogue. Immediately thereafter, Prime Minister Morrison and Premier Li held a regular summit meeting. In such ways, high-level exchanges have continued to be held between the two countries.

While the two countries may have begun moving towards stabilizing their relationship, Australia's security concerns surrounding China have not disappeared. In December 2018, Minister for Foreign Affairs Payne and Minister for Home Affairs Peter Dutton released a joint statement, in step with other countries including the United States and the United Kingdom. The statement notes that Chinese nationals conducted a large-scale "global campaign" primarily involving intellectual property theft through cyberspace, and affirms and condemns the underlying involvement of China's Ministry of State Security. The Chinese government responded with protests and criticisms, and the Australia-China gap in the security field is becoming evident once again. In this manner, Australia faces a difficult task of steering towards increasing the stability of Australia-China relations and cooperation between the two countries, all the while maintaining readiness to deal with the range of outstanding issues surrounding China.

### **(3) Network Diplomacy in the Indo-Pacific**

As the above exemplifies, in recent years Australia has been confronted once again with the difficultness of maintaining and developing relations with the United States and China, countries with the most influence on Indo-Pacific

regional order. Amid changes in the relative power of the United States and the rise of China, which does not share common political values, Australia itself understands the challenge of a non-major power like Australia to impact the future direction of regional order, including US-China relations. With the Sino-US relationship deteriorating rapidly in 2018 due to a series of additional tariffs imposed by the Trump administration, Australia has remained unsure about where to navigate itself between the two countries. In fact, at the US-Australia finance ministerial meeting held in October 2018, Treasurer Josh Frydenberg of Australia remarked on the importance of stable US-China relations and protecting free trade, indicating Australia is not in complete agreement with the Trump administration's China policy. With Australia looking for ways to improve its relations with China, there are limits to Australia's alignment with the United States on China policies. Furthermore, Australia has long feared that a situation would arise in which it would become embroiled in an intensifying US-China dispute and be forced to choose between the two countries. As can be seen, Australia's wavering position between the United States and China, which are increasingly in confrontation with each other, has contributed to the vagueness of Australia's Indo-Pacific diplomacy.

With confronting the US-China relations becoming even more challenging, Australia has put further efforts into strengthening its cooperation network with Indo-Pacific countries other than the United States and China.<sup>33</sup> Australia has not said it envisions the future Indo-Pacific region having a bipolar order, with the United States and China forming the basic structure. Rather, Australia, while recognizing that the United States and China are the most important major powers, views that a "multipolar," "plurilateral," and "multifaceted" Indo-Pacific will emerge, where multiple regional countries including India, Japan and Indonesia, will shape the future of the region by exhibiting a level of influence.<sup>34</sup> In this context, Australia considers that strengthening its cooperation network with countries other than the United States and China is increasingly important for establishing a "favorable balance" that allows non-major powers in the region to exercise some influence on shaping the future of the Indo-Pacific.<sup>35</sup> The section below analyzes three cases of such network diplomacy in the Indo-Pacific: relations with India and Indonesia, countries with which Australia has been stepping up cooperation in recent years, and cooperation with France that seeks to expand activities in the Indo-Pacific region.

First, Australia regards India as a major country that will rise in the long-term, and positions it as one of the foci of its network diplomacy in the Indo-Pacific. In 2012, the Gillard Labor government, the first government to introduce Indo-Pacific as a policy concept of Australia, shifted the long-held policy of the Labor party and decided to permit exports of Australian uranium to India, a country not officially recognized as a nuclear-weapons state under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).<sup>36</sup> Even after the change in government from the Labor party to the Coalition in 2013, this policy continued to be implemented, and an Australia-India agreement on uranium exports was reached in 2014. In July 2017, it was announced that the first transport ship carrying a sample of uranium for quality testing purposes had set sail. As a bilateral scheme was being established for uranium exports, some progress was also seen in Australia-India security cooperation. In December 2017, the first India-Australia 2+2 Foreign and Defense Secretaries' Dialogue was held. It discussed future security cooperation between the two countries and launched new mini-lateral frameworks, such as Japan-Australia-India and Australia-India-Indonesia trilateral frameworks. In addition, the first Australia-India naval exercise AUSINDEX focused on anti-submarine warfare was held in the Indian Ocean in 2015, and the second AUSINDEX was held off the coast of Australia in 2018. Also in 2018, the Indian Air Force sent fighters (four Su-30MKI) for the first time to "Pitch Black," a multilateral air force exercise hosted every other year by Australia. In October 2016, special operations forces of the Australian and Indian armies conducted training in India.

While recent years have seen such progress in Australia-India relations, including in the security field, the longstanding gap in their views has not been eliminated. For example, despite Australia's expression of interest, India is still not keen on the Royal Australian Navy participating in the Japan-US-India combined exercise "Malabar."<sup>37</sup> Factoring into this is the gap between Australia, on the one hand, underscoring that it will give priority to strengthening its relations with India, a future major power, and India, on the other hand, ranking Australia, a non-major power, not very high in order of priority. Some theorize that India is reluctant about Australia's participation as it would seem India is titling towards the US-ally club.<sup>38</sup>

Secondly, Australia adheres to the policy of maintaining the unity and centrality of ASEAN. Australia has been increasingly placing importance on

particularly Indonesia, which, among the ten Southeast Asian nations, is viewed as a potential leading country with significant influence on the entire Indo-Pacific region. Morrison, who was appointed to succeed Prime Minister Turnbull due to a political dispute in the ruling party, visited Indonesia shortly after forming the cabinet in August, and held talks with President Joko Widodo.<sup>39</sup> The purpose of visiting Indonesia shortly after Morrison's appointment was partly for the leaders to confirm a political agreement on their free trade agreement, on which negotiations had already been completed. It can be construed that the main purpose, however, was to set out a direction for their bilateral cooperation on the future of the Indo-Pacific region, extending far beyond economic cooperation. The Joint Declaration on a Comprehensive Strategic Partnership released by the two leaders provides at the outset that Indonesia and Australia are "neighbours at the maritime crossroads of the Indian and Pacific Oceans," and identifies expanding maritime security cooperation and contributing to the stability and prosperity of the Indo-Pacific region as pillars of their future bilateral cooperation.

The Joint Declaration elucidated both the progress and challenges of Australia-Indonesia cooperation in the Indo-Pacific region, focusing particularly on the maritime field. Meanwhile, the Joint Declaration reaffirmed that the issues over maritime boundary management and law enforcement, which have frequently impeded the bilateral relationship in recent years, were no longer causes of political friction between the two countries. Thousands of asylum seekers from the Middle East and South Asia annually aim to reach Australia by the maritime route via Indonesia. Depending on the situation, the current Coalition government has used naval and border guard vessels to physically tow and turn back the boats carrying asylum seekers to Indonesian territorial waters. The implementation of this policy risked potentially sparking political confrontation between the two countries, including Australian vessels intruding into Indonesian territorial waters without prior consent. Since then, Australia took steps to prevent the recurrence of territorial intrusions and enhanced the sharing of relevant information. Due to such efforts, Australia has succeeded in appropriately managing the issues, preventing them from developing into political friction. Law enforcement in maritime boundaries has become a critical item of bilateral maritime cooperation, and trainings and joint patrols by their naval and law enforcement vessels have already become established practices.

However, the two countries have yet to unveil concrete cooperation for broadly

contributing to the Indo-Pacific region, as emphasized in the Joint Declaration on a Comprehensive Strategic Partnership. Australia and Indonesia already signed the Maritime Cooperation Plan of Action during the 2+2 Foreign and Defense Ministerial Meeting held in March 2018, but its implementation schedule has not been explained in detail.<sup>40</sup> The bilateral cooperation will be centered rather on military exchanges and Australian capacity building assistance for the time being. For example, in March 2018, it was announced that a new maritime security capacity building assistance project was being planned in Indonesia. The substance of current bilateral cooperation falls far short of the two countries' grandiose calls for cooperation spanning the Indo-Pacific region broadly.

Thirdly, Australia seeks to strengthen cooperation with France in the Indo-Pacific. France has been boosting its engagement in the economically rising Asia region, stressing that it is a "residential power" having a territory of 465,000 km<sup>2</sup> and 1.5 million citizens and stationing 4,500 military troops in the Indo-Pacific.<sup>41</sup> In June 2016, France and Australia agreed to cooperate on a project to develop 12 future submarines of the Royal Australian Navy. Under the agreement, Australia's industrial foundation will be maintained and developed in the process of introducing conventionally-powered Shortfin Barracuda (later named Attack-class submarine) by the 2030s. In the South Pacific, France also possesses French Polynesia, New Caledonia, and the Wallis and Futuna Islands and stations seven vessels, nine fixed-wing aircraft, and approximately 1,800 troops. Taking advantage of this French presence, it operates the Quadrilateral Defense Coordination Group with countries including Australia and conducts maritime monitoring, while implementing regional disaster assistance cooperation in accordance with the FRANZ Arrangement (members: Australia, New Zealand, France). Australia aims to reestablish a naval base in Papua New Guinea and increase assistance activities in the South Pacific, and in this context, pays attention to France's role in this region. When President Emmanuel Macron of France visited Australia in May 2018, France and Australia concluded a mutual logistics support agreement. In this manner, the two countries have explored ways to strengthen broader cooperation in the Indo-Pacific, based on cooperation on submarine development and introduction, including developing a foundation for enhanced military cooperation. Yet, it remains unknown exactly how France-Australia security cooperation will deepen going forward. While both France and Australia have suggested conducting some form of joint activities in the South

China Sea, for example, they have not announced any formal agreement that translates such rhetoric into concrete actions.

As the above demonstrates, although Australia's network diplomacy in the Indo-Pacific sets out a general direction with some clarity, it remains underdeveloped and leaves many questions unanswered. While visible progress has been made in strengthening Australia's cooperation with various countries in the form of political agreements between leaders, dialogues, and establishment of legal frameworks, much of it has not necessarily been implemented as concrete policy. As agreements on paper are further elaborated into measures in the future, observers should focus on investigating broader implications of Australia's network diplomacy in the context of US-China relations, the central preoccupation of Australian foreign policy. Will Australia's network diplomacy be oriented towards the goal of complementing the US policy on China? Or will Australia maintain a certain distance from the US policy on China? Or will Australia's network diplomacy continue to remain undefined? Future choices of Australia's network diplomacy represent such strategic questions that will inform and shape the nature of Australia's evolving Indo-Pacific concept.

### 3. India's Perception of the Indo-Pacific

#### **(1) "Indian Ocean Region": Arena for Playing a Major Power Role**

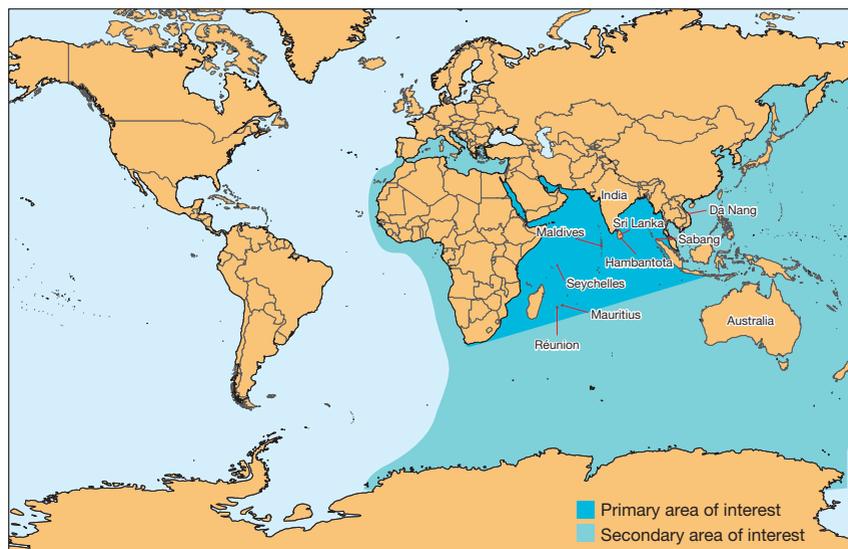
There are two policy orientations which underpin India's acceptance of the Indo-Pacific concept. The first is India's will to become a major power as a maritime state. The other is its intention to proactively engage with ASEAN for building the regional architecture.

As is mentioned in Section 1, the term "Indo-Pacific" region emerged in parallel with the Obama administration's prioritization of India in its rebalance policy. Sensitive to its own status in the international society, India welcomed the US endorsement of its role as a "net security provider," irrespective of the geographical definition of the Indo-Pacific region. The challenge for the United States and India was to synergize the "Asia-Pacific" concept of the former and the "Indian Ocean Region" concept of the latter. For India, the Indian Ocean is one body, and both the "Asia-Pacific" concept excluding the Indian Ocean west of India, as well as a line dividing the Central and Pacific Commands that splits

the Indian Ocean, were anormal. “Indo-Pacific” was employed for the first time in a 2017 joint statement between the two leaders, following the release of the “US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region” in 2015.<sup>42</sup>

The geographical scope of the “Indian Ocean Region” for India is clearly delineated in the *Indian Maritime Security Strategy* of 2015. It is the area from west of the Lombok Strait to Africa’s eastern coast and is defined as “primary areas of interest.” The area outside of this zone, stretching from east of the Malacca and Lombok Straits, across the South China Sea and East China Sea, up to roughly the date line in the west Pacific Ocean, is defined as “secondary areas of interest.”<sup>43</sup> Factors taken into account in defining areas of interest include: demarcation of a maritime boundary with neighboring countries; marine-related security and economic cooperation; maritime trade, especially petroleum imports and development of marine energy resources; Sea Lines of Communication (SLOC); investment to/from other countries; and safety of Indian nationals in other countries.<sup>44</sup>

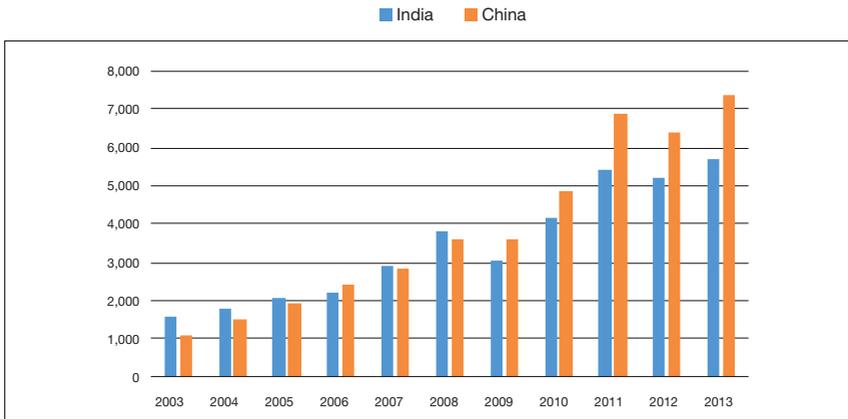
Figure 1.3. India’s areas of interest



Source: Compiled by the author based on Integrated Headquarters, Ministry of Defence (Navy), India, *Ensuring Secure Seas: Indian Maritime Security Strategy*, October 2015, pp. 18-19.

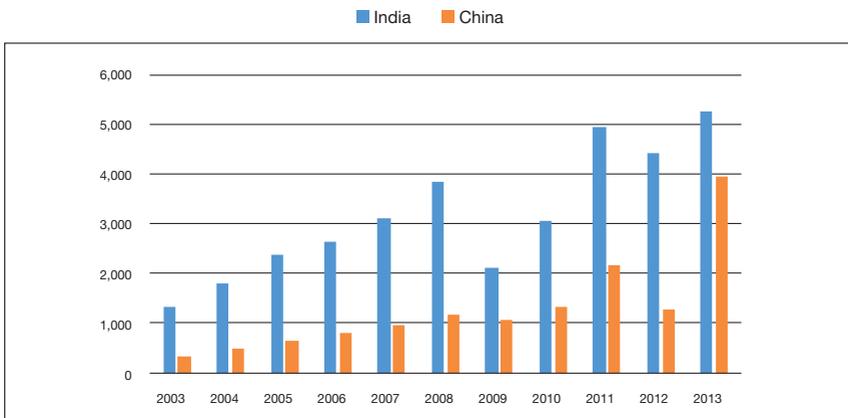
India strongly felt China was a latecomer and “competitor” in the Indian Ocean Region, which constitutes India’s primary areas of interest. China has rapidly expanded trade and investment, built ports in India’s neighborhood including Bangladesh, Myanmar, Sri Lanka, and slightly later, Maldives. For India, cause for concern is China’s economic influence to secure access to ports which would eventually lead to China’s military activities in India’s primary

Figure 1.4. Bangladesh’s trade with China and India (US\$ million)



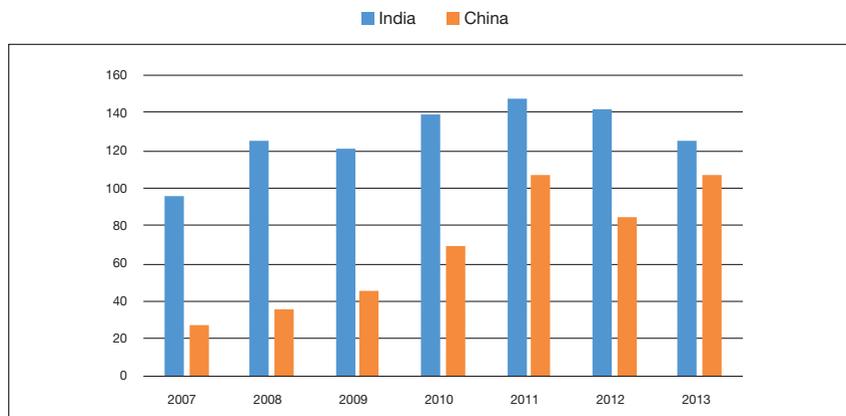
Source: IMF, *Direction of Trade Statistics*.

Figure 1.5. Sri Lanka’s trade with China and India (US\$ million)



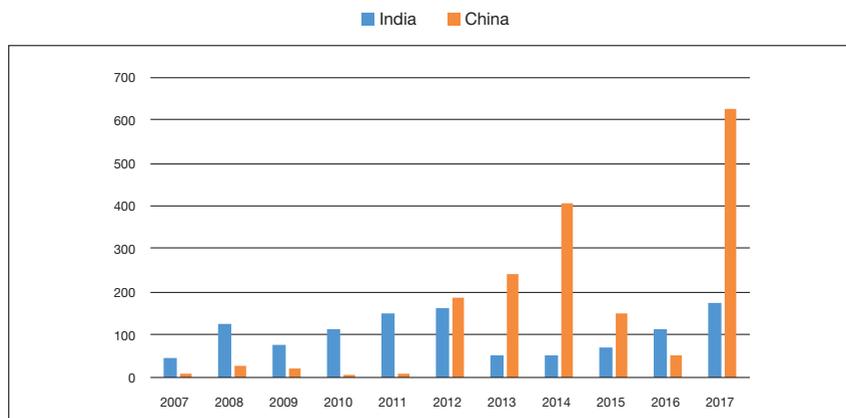
Source: IMF, *Direction of Trade Statistics*.

Figure 1.6. Maldives' trade with China and India (US\$ million)



Source: IMF, *Direction of Trade Statistics*.

Figure 1.7. Direct investment in Sri Lanka by India and China (US\$ million)



Source: External Trade Organization (JETRO), *Sekai Boeki Toshi Hokoku* [Global Trade and Investment Report].

areas of interest. This concern grew even stronger after China's proposal of the One Belt One Road (later Belt and Road Initiative [BRI]) in 2013 under which those infrastructure building projects were integrated.

The western (Arabian Sea side of the Indian Ocean) and eastern (Bay of Bengal side of the Indian Ocean) areas of the Indian Ocean have distinct features in their Indian policy for dealing with China's encroachment on its areas of interest in

the Indian Ocean Region. As discussed in the following section, in the western side of the Indian Ocean, India seeks to provide capacity building assistance to island countries, unilaterally make security frameworks as India-centered order, and play a constabulary and benign role in maintaining this order. On the other hand, in the eastern side of the Indian Ocean, India seeks to manage China's expanding influence by participating in existing multilateral frameworks. For example, India has taken initiative to introduce a security agenda in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), comprised of the Bay of Bengal rim countries, by hosting the first Disaster Management Exercise in 2017.<sup>45</sup> As described in part 3 of this section, India practices value diplomacy as a longer-term initiative, which stresses cultural ties and common values in order to enhance cooperation with ASEAN that is a forerunner in regional architecture-building.

## **(2) Enhancing Engagement in Indian Ocean Island Countries**

It is often said that India regarded the Indian Ocean as “India’s ocean” and applied a type of “Monroe Doctrine” to foreign powers taking military actions in the Indian Ocean Region.<sup>46</sup> For example, *India’s Maritime Military Strategy* of 2007 referred to Alfonso Albuquerque, the Governor of India from Portugal—the first colonial power in the Indian Ocean, citing his words that, “control of the key choke points extending from the Horn of Africa to the Cape of Good Hope and the Malacca Strait was essential to prevent an inimical power from making an entry into the Indian Ocean.” The Strategy goes on to state, “whatever happens in the IOR can affect our national security and is of interest to us.”<sup>47</sup>

While India’s idea of the sphere of influence has geographical overlaps with that of the British Empire, it might not be directly inherited from Britain and might rather have been established in the 1980s. After the United Kingdom withdrew from East of Suez in 1968, there was no center of power in the Indian Ocean Region. Following the Arab-Israeli conflict and the Iranian Revolution in the 1970s, the United States proceeded to strengthen the Diego Garcia base and increase the number of units deployed to the Indian Ocean and established dominant power projection capabilities. Because the United States allied with Pakistan, India’s adversary, India regarded US military interference in the region with distrust and pressed forward with a diplomatic campaign opposing the Diego Garcia base throughout the 1980s.<sup>48</sup>

In addition, as an extension of the Indian Monroe Doctrine, India was involved in preventing civil wars and coups d'état in Indian Ocean island countries in the 1980s. In response to coups d'état plots in Mauritius (1983) and Seychelles (1986), India sent vessels to substantially deter the coup in case of the former and protect the incumbent president in case of the latter. India also conducted military intervention against the coup plot in the Maldives (1988). Furthermore, the dispatch of Indian troops to Sri Lanka to enforce peace in 1987 was an attempt at bringing an end to the Sri Lankan civil war on India's terms.<sup>49</sup> At this time, India was extremely averse to Indian Ocean Region countries receiving assistance from other countries with anti-Indian biases (primarily the United States, but South Africa in the case of Seychelles), and believed that they should first ask India for assistance to address the threat of internal conflict and coup d'état.<sup>50</sup>

In this way, India became a de facto provider of regime guarantee in Mauritius, Seychelles, and the Maldives, and by the 1990s, established virtually an exclusive position as a supporter of coast guard capabilities. For Mauritius, India provided a vessel in 1974, which became the first ship owned by the Mauritius police. In 1990, India provided Dornier 228, a twin-engine, multirole light transport aircraft, produced under license by India's Hindustan Aeronautics Limited (HAL). This effectively led to the founding of the Maritime Air Squadron of the Mauritian National Coast Guard.<sup>51</sup> Furthermore, India gave helicopters to Seychelles in 1984.<sup>52</sup> The combined training DOSTI (held every two years) with the Maldivian Coast Guard also began in 1991.

In 2003, India signed a memorandum on defense cooperation with Seychelles, as part of India's policy for promoting military training for African countries. In the same year, at the request of Mozambique, the host of the African Union (AU) Summit, India provided coast guard supports during the summit. Since then, India was exploring cooperation with Djibouti.<sup>53</sup> In the mid-2000s, however, when India accelerated capacity building assistance with an eye on maritime security, China entered into the Indian Ocean Region. China and Sri Lanka agreed to develop the Port of Hambantota in 2007, and *India's Maritime Military Strategy* released that same year already made references to the Chinese Navy's "attempts to gain strategic toe-hold in the IOR."<sup>54</sup> The concerns raised by the Indian strategic community include the possible use of Hambantota by Chinese Navy vessels, its use as a communication base, the establishment of a space monitoring system on the port, and its use as a base for Chinese "fishing vessels."

India's concerns vis-a-vis China are of a similar nature as those vis-a-vis the United States in the 1980s. In this respect, it could be regarded that the object of concern simply shifted from the United States to China. However, there were no contentious issues between the United States and India, except over the US economic and military assistance to Pakistan. But China and India are directly facing off each other over the disputed border. Moreover, from the perspective of India, some incidents related to China's expansion of influence in Sri Lanka and the Maldives strengthened the sense of zero-sum competition. In Sri Lanka, land in central Colombo which the Indian Embassy applied to acquire was suddenly sold to China National Aero-Technology Import and Export Corporation in 2012.<sup>55</sup> In the Maldives that same year, a contract to upgrade and operate the airport in Malé for 25 years, awarded to India's infrastructure company GMR by tender two years earlier, was revoked without adequate explanation, and the company was ordered to evict.<sup>56</sup> Two years later, the contract was transferred to Beijing Urban Construction Group Co. When China proposed the BRI in 2013, Sri Lanka and the Maldives actively supported the initiative, which, in turn, further instilled India's notion that China is a competitor.

In order to counter China's expanding influence, India has stepped up its engagement in Indian Ocean island countries. First, on the capacity building front, India has provided vessels and aircraft as well as radars. Mauritius began operating radars in 2011 and Seychelles in 2015.<sup>57</sup> In addition, under the Indian Technical & Economic Cooperation (ITEC) Programme, India not only accepts coast guard personnel from the two countries for training but also assigns Indian Navy and Air Force personnel to the countries on deputation, some of whom are believed to have command posts.<sup>58</sup> The Indian Navy thus works in cooperation with the coast guards of Mauritius and Seychelles for their security.

Secondly, India has sought to incorporate Sri Lanka, the Maldives, Seychelles, and Mauritius into India-led maritime security cooperation frameworks. From 2012, the Maldives, Seychelles and Mauritius have been invited to the multilateral

naval gathering and exercise MILAN (commenced in 1995; Sri Lanka has participated from the first exercise) hosted by India.<sup>59</sup> In addition, trilateral consultation among India, Sri Lanka, and the Maldives at the national security advisor level was held in 2011 and was expanded to include Seychelles and Mauritius in 2014.<sup>60</sup> In the coast guard combined training DOSTI, which became a trilateral exercise with the addition of Sri Lanka in 2012, Seychelles and Mauritius participated as observers in 2014 and participated formally in 2016.<sup>61</sup>

Thirdly, India has accelerated developing ports and facilities in island countries. India has been traditionally critical towards the basing of external powers in the Indian Ocean Region, and advocated the “Indian Ocean Zone of Peace.” In line with this principled position, India has not developed its own facilities overseas. However, subtle changes in this position have been observed, ever since reports came out at the end of 2011 that China was considering developing a naval base in Seychelles.<sup>62</sup> In March 2015, when Prime Minister Modi visited Mauritius, a memorandum was signed regarding development of the Agalega islands in the country. Furthermore, an agreement was broadly reached to build facilities for maritime surveillance and search and rescue on Assumption island in Seychelles.<sup>63</sup>

Lastly, India’s traditional stance of denying presence of external powers in the Indian Ocean Region is shifting. India is now cooperating with external powers which have shared interests. India has coordinated with the United States and Japan on maritime security cooperation for Sri Lanka. India-France cooperation has also materialized in western Indian Ocean. In March 2018, the “Joint Strategic Vision of India-France Cooperation in the Indian Ocean Region” was announced at the India-France Summit. Subsequently, a joint naval training was conducted in waters near Réunion. India and France have also started co-developing a maritime surveillance satellite system focused on the Indian Ocean.<sup>64</sup>

### **(3) Strengthening Partnership with ASEAN Countries**

Under the Modi administration, India-ASEAN relations are set at the center of the Act East policy. In January 2018, heads of all ASEAN member states were invited as guests of honor to Republic Day celebrations, in commemoration of the 25th anniversary of ASEAN-India Dialogue Relations. Connectivity and maritime security have been set forth as focal points of India’s relations with ASEAN.<sup>65</sup> Connecting India with the ASEAN economic zone is essential for

India's economic growth, and connectivity is identified as one of the areas of cooperation in the "Vision Statement" unveiled at the Tenth ASEAN-India Summit in 2012.<sup>66</sup> Due to China's assertiveness in the South China Sea and the BRI, connectivity with ASEAN has assumed a new strategic significance for India. First, with the growing reality that China's activities in the South China Sea could hinder "freedom of navigation" and hamper India's economic interests, advocating maritime connectivity in tune with ASEAN voices could be an effective tool to shape China's activities. India-ASEAN official statements frequently enshrine freedom of navigation and overflight, unimpeded maritime commerce, and peaceful resolution of disputes in relation to the South China Sea. Secondly, connecting India and the ASEAN economic zone could be a proposal for an alternative economic corridor to the BRI.

With such maritime security and connectivity in mind, bilateral relations with Indonesia, Vietnam, and Singapore are examined below.

In December 2016, India and Indonesia declared explicitly that they will engage in maritime cooperation as "maritime neighbors," and the defense ministers' dialogue and the security dialogue were institutionalized.<sup>67</sup> The two countries repeatedly underscore shared values, which have a broader scope than those generally referred to in diplomatic statements such as free, openness, transparency, and the rule of law. They also include "civilizational contacts developed through the seas" dating back to the pre-modern era and "democracy, pluralism and diversity" in their countries. Moreover, shared interests of India and Indonesia are rather practical in nature, such as countering smuggling of arms, drugs and people, illegal fishing, and movement of terrorists. Because of these common challenges, India and Indonesia have regularly conducted bilateral Coordinated Patrols since 2002.

In May 2018, Prime Minister Modi visited Indonesia before the Shangri-La Dialogue and released a statement with President Joko, which noted that their strategic partnership would be elevated to "New Comprehensive Strategic Partnership."<sup>68</sup> With regard to connectivity, joint development of Sabang Island, Aceh in Indonesia is worth noting. In the "Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific," which was released separately from the Joint Statement, it states that the two countries will take the necessary steps to enhance "institutional, physical, digital and people-to-people" connectivity between Andaman and Nicobar Islands in India and Sumatra Island "including

Aceh.” At present, mutual visits and ecotourism are envisioned.<sup>69</sup> However, Sabang Island, located 175 km from the southern tip of the Andaman and Nicobar Islands, home to India’s tri-services Andaman and Nicobar Command (ANC), has clear strategic significance for India, and some in the strategic community contend that Andaman-Ache connectivity should lead to a mutual logistics support agreement.<sup>70</sup>

India’s strategic partnership with Vietnam has a greater China factor compared to that with Indonesia. When India and Vietnam agreed on their strategic partnership in 2007, “maritime cooperation” initially constituted Indian capacity building assistance for Vietnam’s Navy and Coast Guard and joint resource development in the South China Sea; it was not designed with China particularly in mind.<sup>71</sup> However, ever since China protested India-Vietnam joint exploration of oil in 2011, their joint statements began to refer to “peaceful resolution of disputes in the South China Sea,” “freedom of navigation,” and “Code of Conduct in the South China Sea.” It can be said that engagement with Vietnam was a catalyst for India’s acceptance of “freedom of navigation.” Since the latter half of 2011, the two countries have also deepened naval cooperation. While no official announcements have been made, it is believed that India agreed to conduct training for the crew of the Kilo-class submarine to be acquired by Vietnam, and that Vietnam gave India the rights to use Nha Trang port.<sup>72</sup>

Maritime security cooperation between India and Vietnam is implemented cautiously and quietly so as not to incite China excessively, while also ascertaining US-Vietnam relations. After US vessels made port calls in Vietnam constantly and the US aircraft carrier USS Carl Vinson pulled into the port of Da Nang in March 2018 for the first time since the Vietnam War, Indian vessels entered the port of Da Nang at the end of May and a goodwill training is believed to have been conducted for the first time.<sup>73</sup>

India and Singapore have more multifaceted relations in which security has a relatively smaller weight. However, bilateral security cooperation has contributed significantly to the expansion of the Indian Navy’s military interactions with the region and beyond. In the early 2000s, Singapore frequently hosted multilateral submarine rescue and minesweeping exercises as a member of the Western Pacific Naval Symposium (WPNS), and invitations were extended to India. Such trainings provided opportunities for India to cooperate with the navies of ASEAN member states, Japan, the United States, Australia, and other countries.

For Singapore, too, the Indian Navy's engagement in the region was desirable for its transition from depending on the United States and FPDA, towards more multilateral and diversified security relations. Joint trainings between the two navies developed into regular bilateral exercises beginning in 1999 and were later named SIMBEX. In around 2003 and onwards, India opened up military exchanges and started disseminating information on them. According to such public information, SIMBEX since 2004 has been clearly aimed at anti-submarine warfare and was conducted in the South China Sea for the first time in 2005.<sup>74</sup> The exercise has since been conducted in the South China Sea in the years hosted by Singapore, and in primarily the Bay of Bengal in the years hosted by India, with the host country sending a submarine. In 2017, a document related to naval cooperation, including a logistics support agreement, was signed between the Indian and Singaporean defense secretaries.<sup>75</sup>

Army and air forces are also holding joint exercises. In addition, bilateral agreements enable the Singapore Armed Forces to conduct training and exercises in India. The agreements between their air forces and armies which were concluded in 2007 and 2008 respectively, were renewed for the second time in 2017 and 2018 respectively. Furthermore, in 2016, the two countries established industry-level working mechanisms and aim to foster cooperation in aerospace and electronics.<sup>76</sup>

After Prime Minister Modi came into power, a Strategic Partnership was declared (2015), and the annual Defense Ministers' Dialogue was institutionalized (2016). Compared to bilateral relations with Indonesia or Vietnam, the mutual benefit of cooperation is clear in India-Singapore cooperation, as is shown in the case of access to facilities or in military technology cooperation. With such functional cooperation in practice, partnership between India and Singapore is already strong and needs no expression of political intent at the high level. Naval cooperation between India and Singapore is indirectly linked to the maritime security cooperation network, including multilateral joint exercises related to WPNS and the US-India maritime exercise Malabar in which the Japan Maritime Self-Defense Force is also a regular participant since 2015. In this regard, the bilateral cooperation is oriented at enhancing capabilities for jointly playing a role in the maritime security order.

As seen from above, India-Indonesia relations stress their civilizational connections as maritime neighbors and promote maritime connectivity. India-

Vietnam relations underscore “freedom of navigation” and responses to China in the South China Sea. India-Singapore relations are characterized by mutual capacity enhancement through joint naval exercises and military technology cooperation. While each of the bilateral relations has different features, all three partnerships accommodate India’s will to fulfill a role in building a regional order not dominated by China, while respecting the “ASEAN centrality” which deems ASEAN’s initiative and consensus as essential for shaping the regional order.

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