India, China, and the Indo-Pacific: New Delhi’s Recalibration Is Underway

Harsh V. Pant & Premesha Saha


To link to this article: https://doi.org/10.1080/0163660X.2020.1850593

Published online: 11 Dec 2020.
The growing importance of the Indian and Pacific Oceans and the rapidly evolving geopolitical landscape in Asia have brought the Indo-Pacific construct to the center of global political discourse. The region is marked by uncertainty about expansionist Chinese territorial policies and concerns about the United States’ long-term commitment to Asia amidst inherent limitations of existing regional multilateral institutions. This geography is being viewed as the new and expanded theater of great-power contestation.

India does not see the Indo-Pacific region as a strategy or as a club of limited members. Inclusiveness, openness, ASEAN (Association of Southeast Asian Nations) centrality, and unity lie at the heart of India’s conception of the Indo-Pacific. Delhi’s attempts to manage Beijing and its strategic partnership with Moscow are key to ensuring a “stable, open, secure, inclusive, and prosperous Indo-Pacific.” But given Chinese aggression along the Sino-Indian border, especially after the June 15, 2020 clash with PLA troops in the Galwan Valley in Ladakh, India is in the process of redefining its priorities in the wider Indo-Pacific region even as it re-evaluates its assumptions underlying China policy.

India has been actively championing the idea of a Free and Open Indo-Pacific (FOIP), proposing initiatives like Security and Growth for All in the Region (SAGAR) and the Indo-Pacific Oceans’ Initiative (IPOI), and engaging bilaterally as well as within plurilateral and multilateral platforms with its Indo-Pacific partners. These platforms include the 2+2 dialogues with the United States,
Japan, and Australia; the trilateral dialogues involving India, Japan, and the United States, Japan-Australia-India (JAI), Russia-India-China, India-Australia-Indonesia, India-Australia-France; and the Quadrilateral meetings involving India, Japan, Australia, and the United States.

The choice to work closely with like-minded countries and develop a stronger stance against China’s “not so peaceful rise” is viewed as a priority now by New Delhi. Like several other countries in the Indo-Pacific, India is also hardening its policy posture vis-à-vis China. This article examines the recent evolution in India’s Indo-Pacific policy amidst the structural changes that the region is witnessing and traces a fundamental shift in India’s China policy. It argues that this wider shift in India’s regional stance will not only have a significant bearing on the future trajectory of Indian foreign policy but on the larger regional security matrix as well.

**Changes in the Indo-Pacific**

For India, the Indo-Pacific stretches from the eastern coast of Africa to Oceania (from the shores of Africa to those of the Americas), which also includes the Pacific Island countries. It is highly important for global trade, with one-third of the world’s trade and significant proportions of East Asia’s oil passing through the Eastern straits of Malacca, Sunda, Lombok-Makassar, and the South China Sea. Almost 55 percent of the world’s container trade also travels through this region, with nearly 70 percent of ship-borne energy transport moving through these waters.²

**India’s Overall Vision**

India supports a balanced and stable trade environment in the Indo-Pacific region, where sustainable connectivity initiatives promoting mutual benefit require fostering. For New Delhi, security in the region must be maintained through dialogue, a common rules-based order, freedom of navigation, unimpeded commerce, and settlement of disputes in accordance with international law.

To further these ends, India’s Act East Policy has been geared toward deeper economic engagement with Southeast Asia and broader cooperation with East Asia and the Pacific Island countries. India has been an active participant in mechanisms such as the Indian Ocean Rim Association (IORA), the East Asia Summit (EAS), ASEAN Defence Ministers Meeting Plus (ADMM Plus), ASEAN Regional Forum (ARF), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), and Mekong Ganga Economic Corridor, in addition to convening the Indian Ocean Naval Symposium.
(IONS). Through the Forum for India-Pacific Islands Cooperation (FIPIC), India is moving toward engaging with the Pacific Island countries.  

In more ways than one, however, it is the rise of China that has been instrumental in shaping New Delhi’s vision for a free and open Indo-Pacific. China’s growing ambitions, its increasingly aggressive foreign policy posture, and its border skirmishes with New Delhi have “evoked a disconcerting feeling, forcing India to focus its energies on the rise of Beijing and establish itself in a leading role in the Indo-Pacific.” It is China’s dramatic rise and India’s response to that rise that has made the operationalization of the Indo-Pacific vision possible.

**China’s Growing Assertiveness**

There has been a marked shift in China’s foreign policy posture in recent years. Since the 2008–09 financial crisis, perception of a geopolitical opening has pushed China toward making bolder moves on the global stage. And under the leadership of Xi Jinping, China sees itself as moving to the center stage of global politics as perceptions about relative American decline have gathered pace. On one hand, China has been actively trying to establish itself as a major regional player by pursuing initiatives such as the Belt and Road Initiative (BRI) and the Asian Infrastructure Investment Bank. On the other hand, Beijing has been adopting assertive security policies toward its neighbors. China is engaged in territorial disputes in both the South China Sea and the East China Sea. Since 2013, it has been building up and militarizing many of the islands and reefs it controls in the region and stepping up its aggressive posturing toward New Delhi, with repeated altercations with India along the Line of Actual Control (LAC).

Even when the world is grappling with the manifold impact of the ongoing pandemic, China has been actively pressing its sovereignty claims. Chinese forces have been involved in a string of incidents around its borders, including with India. In February 2020, Chinese jets crossed the mid-line of the Taiwan Strait, forcing Taiwan to scramble interceptors, and People’s Liberation Army (PLA) troops carried out live-fire combat drills in the vicinity. In March 2020, a Chinese fishing boat—possibly belonging to the paramilitary maritime militia—collided with a Japanese destroyer in the East China Sea, damaging the latter ship. In April 2020, Beijing declared new administrative districts in the Paracel and Spratly islands, the latest step in China’s bid to legitimize effective control over these areas. The same month, a Chinese coast guard ship sank a Vietnamese fishing boat in the South China Sea.
A Broader Regional Shift

Chinese creeping assertiveness and territorial expansionist policies have demolished the idea of China’s “peaceful rise,” and most countries, such as the United States and Australia, are now resetting their China policies and their policy priorities in the Indo-Pacific region in general. Where under the Obama administration constructive engagement with China was seen as the best possible option, the Trump administration made a shift toward an openly confrontational posture, with China, along with Russia, designated as rival and revisionist powers in the 2017 National Security Strategy.

The 2019 US Indo-Pacific Strategy Report also clearly lays out that “a rising China is using its military modernization, influence operations, and predatory economics to coerce other nations,” thus impacting the security and stability in the region as a “revisionist power.” Australia has also expressed concerns over the “unprecedented pace and scale of China’s activities” in the South China Sea. A November 2017 Australian foreign policy paper raised alarm over China’s growing assertiveness in the region, accusing it of “building an influence in the Pacific by currying favor with the region’s smaller nations like Tonga, Samoa, and Vanuatu and funneling cash into their infrastructure projects.”

As China has become more assertive in the region, these countries are further remapping their defense strategies and foreign policies, looking to strengthen cooperation with like-minded countries. Australia, besides seeking an impartial probe into the origins of COVID-19, introduced national security tests for foreign investors, took a firm stand against Huawei, and announced its 2020 Defence Strategic Update, an AU$270 billion (US$190 billion) 10-year defense plan that Prime Minister Scott Morrison termed a “significant pivot.” It includes, for the first time, land, sea, and air-based long range and hypersonic strike missiles for Australia amidst regional tensions over territorial claims and unprecedented military modernization.

Meanwhile, former US Defense Secretary Mark Esper refers to the Indo-Pacific as the “epicenter of great power competition with China.” The Trump administration has taken a more assertive stand on the issue of Taiwan, such as by deliberating on the sale of seven large packages of weapons to Taiwan including long-range missiles, mines, cruise missiles, and drones. According to US Secretary of State Michael Pompeo, if this package gets the nod from the Congress, then it would be “one of the largest weapon transfers in recent years to Taiwan.” Washington is in the process of negotiating the sale of at least four of its large sophisticated aerial drones to Taiwan for around US$600 million. The Trump administration announced in 2019 that it had sold 66 F-16 fighter jets to Taiwan at US$8 billion, one of the single largest arms packages to the island in many years. High-level US government functionaries have also been paying visits to Taiwan, notably one by US Undersecretary of State for
Economic Affairs Keith Krach in September 2020 and the other by the US Health Secretary Alex Azar in August 2020.\textsuperscript{15}

Beijing’s artificial island-building in the South China Sea, military drills, and belligerent approach to diplomacy along with a deepening rift with Washington has led other countries like Vietnam and Malaysia to seek closer security ties with each other and with the United States. As the most vocal claimant in the South China Sea dispute, Vietnam is seeking to strengthen security ties with countries like Japan, Australia, and India. Malaysia, the Philippines, Indonesia, and Vietnam have all been making submissions to the UN rejecting China’s nine-dash line and its claims to “historic rights” in the South China Sea as inconsistent with the UN Convention for the Law of the Sea. The Permanent Court of Arbitration in July 2016 ruled in favor of the Philippines, stating that China has “no historical rights based on the nine dashed line map.”\textsuperscript{16}

Philippine President Rodrigo Duterte also decided not to suspend the long-standing Visiting Forces Agreement with the United States—a move widely seen as a shift in strategy because of Beijing’s aggression in the disputed South China Sea. In January 2020, Philippines’ President Duterte openly declared his plans to terminate the Visiting Forces Agreement with the United States after the US government cancelled a tourist visa issued to Senator Ronald Dela Rosa, the former national police chief and close political ally of Duterte.\textsuperscript{17} Even Brunei issued its first statement on the South China Sea and referenced the ruling.\textsuperscript{18} The ASEAN countries released a vision statement in June 2020 in which they underlined the need for China to abide by international law and to fast track the conclusion of the Code of Conduct for the South China Sea.\textsuperscript{19} The United States, along with calling out China on several occasions, also issued a strong statement in July 2020 repudiating the legal grounds on which China bases its claims in the South China Sea.\textsuperscript{20}

These changes are happening even as a plethora of minilaterals are emerging in the region, the most significant of them being the Quadrilateral grouping of the United States, Japan, India, and Australia. Nations like India that were hesitant in the past to engage with such groupings for fear of offending China are now explicitly engaged in strengthening such platforms.

\textbf{India’s China Policy from Doklam to Ladakh}

Sino-Indian relations have also been rather turbulent in recent years. Though the border dispute has been clouding bilateral relations for more than half a century,
the frequency of events along the border appears to have increased in the last few years. In 2017, it was the Doklam crisis at the India-Bhutan-China tri-junction that brought the two Asian giants close to a conflict. Though the two nations decided to engage with each other after this crisis, there were various other issues that made it difficult to bring normalcy to bilateral relations—like the Dalai Lama’s visit to the state of Arunachal Pradesh, the growing security dilemma in the Indian Ocean region, Beijing’s move to block India’s bid to join the Nuclear Suppliers Group (NSG), and its veto of an Indian effort to sanction the head of a Pakistan-based terrorist group through the United Nations. Moreover, India decided to boycott Xi’s flagship BRI summits in 2017 and 2019 on the grounds that the project violated Indian sovereignty because it involves infrastructure running through Pakistan-administered Kashmir.

After the Doklam stand-off, Indian Prime Minister Narendra Modi and Chinese President Xi Jinping held an informal summit in 2018 in the Chinese city of Wuhan and hammered out an understanding that was supposed to ensure “trust, mutual understanding and predictability” in the handling of border affairs.21 The meeting inspired the idea of a “Wuhan spirit” between the two nations that would allow for both to move forward without necessarily being a threat to each other.22 Both sides held numerous delegation-level talks to push India’s exports to China to address the over US$51 billion trade deficit. The “Hand-in-Hand” military drills in Chengdu was also restored, and the defense dialogue took place after a gap of one year due to the Dokhlam standoff.23

Xi Jinping and Narendra Modi met for their second informal summit in October 2019 at Mamallapuram, near Chennai in southern India, and agreed to set up a new high-level mechanism to increase trade and commercial relations and better balance trade between the two countries. The two sides also agreed to enhance investments in selected sectors through the development of a manufacturing partnership. The Mamallapuram summit was held just after the Indian government’s August 5, 2019 announcement of its decision to revoke Jammu and Kashmir’s autonomy and statehood and to divide it into two centrally governed union territories: “Jammu and Kashmir” and “Ladakh.” The Modi government’s categorical statement that Ladakh includes Aksai Chin (an icy plateau in eastern Ladakh) raised hackles in Beijing, because the PRC claims the region as its own and has controlled it since the 1962 Sino-Indian War. Consequently, Beijing accused India of violating its territorial sovereignty concerns. China backed Pakistan by pressing the UN Security Council (UNSC) to discuss India’s unilateral decision on Kashmir, without much success.24

Overall, the so-called “Wuhan spirit” did not have much of an impact in galvanizing Sino-Indian ties in a positive direction. China may have taken steps to address India’s concerns over their massive trade deficit, but this has had little
impact: the trade deficit grew from US$51.72 billion in 2017 to US$57.86 billion in 2018 and remains huge. Furthermore, China’s apprehension about India’s aspirations to play a larger role in the regional and global arena remains strong. With the two nations jostling for influence in their respective neighborhoods and beyond, the 2020 border crisis was the last straw for a fundamental reappraisal of India’s China policy as well as its larger regional outlook.

Since May 2020, Chinese and Indian troops have been involved in a confrontation along the disputed Himalayan border with New Delhi, suggesting that Chinese transgressions of the LAC have occurred at four places: Pangong Tso, Galwan Nalah and Demchok in Ladakh, and Naku La in Sikkim.25 This confrontation is perhaps the biggest crisis in the relations between the two countries in decades, as it is the first time when fatalities have resulted and shots have been fired. Although the two sides remain engaged diplomatically, the Galwan Valley standoff has already resulted in the death of 20 Indian border troops and an unknown number from the Chinese side.26 As the two nations brace for a protracted stand-off with substantial force deployments, the LAC is likely to continue to remain “hot” with military activity in the form of occasional violent clashes, mirroring the Line of Control (LOC), which is the de facto boundary that divides Kashmir between India and Pakistan.

India’s Evolving Priorities in the Indo-Pacific

Countries like the United States, Japan, Australia, and even ASEAN have been calling upon India to play a more active role in the Indo-Pacific region. During their visit to India to take part in the Republic Day celebrations in 2018, ASEAN leaders welcomed the positive role being played by India in the Indo-Pacific and described it as important in the maintenance of peace and stability in the region. Kentaro Sonoura, State Minister for Foreign Affairs of Japan, also reflected on India’s role in the region when he highlighted that India is a global power facing the Indian Ocean and has strong historical connections with both Asia and East Africa. Nadia Schadlow, US Deputy National Security Advisor for Strategy, also underscored that the US National Security Strategy recognizes the significance of India-US partnership as India and the United States have a shared interest and vision of a free and open Indo-Pacific. India’s efforts in strengthening relationships with the like-minded countries of the region are being acknowledged and supported by the United States.27
India is ready to embark on a more proactive role in the region

Managing the strategic challenge from China has become the topmost foreign policy priority for India.\textsuperscript{28} With growing concerns in India about China's expansionist tendencies, India is ready to embark on a more proactive role in the region, reflected in a range of policy choices New Delhi has made in recent times both about the region and China.

Taking a Stronger Stand in the South China Sea Dispute
While India has always emphasized the need to ensure freedom of navigation and overflight in the South China Sea, it is now taking a more vocal stand, declaring the South China Sea in July 2020 as “the global commons,”\textsuperscript{29} wherein all disputes should be settled in accordance with international law. The Indian Navy has reportedly deployed one of its frontline warships in the South China Sea after the June 15 clash with Chinese PLA troops in the Galwan Valley.\textsuperscript{30} Even if speculations that this was a routine deployment of the Indian Navy are true, the fact that such a deployment happened at a time of heightened tensions with China sends out an unmistakable message about Indian priorities.

Additionally, the Indian Navy deployed its frontline vessels along the Malacca Straits near the Andaman and Nicobar Islands and the route where the Chinese Navy enters the Indian Ocean Region to keep a check on any Chinese naval activity. It is a crucial sea trade route for China.\textsuperscript{31} In May 2019, the Indian Navy conducted joint sail in the South China Sea with the navies of the United States, the Philippines, and Japan to demonstrate presence of like-minded parties in the South China Sea region amid suggestions by the Philippines Defense Minister that “India has expressed its intent to carry out navigation activities in the South China Sea.”\textsuperscript{32}

From a seemingly ad hoc approach that did not go beyond India deciding to explore energy resources with Vietnam in the past, today New Delhi is more committed to adopting a more robust defense posture in concert with other like-minded countries in the region.

Deepening Engagements with Like-Minded Countries
India has been strengthening ties with its partners in the Indo-Pacific region. These ties could be seen when India signed the Shared Vision Statement of India-Indonesia Maritime Cooperation in the Indo-Pacific during Modi’s first visit to Indonesia in May 2018.\textsuperscript{33} India and Australia also have a Joint Declaration on a Shared Vision for Maritime Cooperation in the Indo-Pacific for
ensuring maritime security in the Indo-Pacific. This Joint declaration was signed during the first virtual summit between Prime Minister Modi and Prime Minister Scott Morrison in June 2020. The first bilateral naval exercise between India and Indonesia—named Samudra Shakti—was conducted in 2018, and the first India-Singapore-Thailand naval exercise took place in September 2019. The Navy recently conducted maiden bilateral exercises with Myanmar, Thailand, and Vietnam.

Maritime cooperation between India and Vietnam has been burgeoning since the initiation of the Strategic Partnership in 2007 and Defence cooperation in 2009. The Indian Navy has had extensive interactions with the Vietnam People’s Navy, particularly in training, repairs, maintenance, and logistics support aimed at capacity-building. During Modi’s three day visit to Singapore in 2018, the navies of the two nations agreed on logistical support for naval ships, submarines, and naval aircraft, including Ship-Borne Aviation Assets. India also conducted the “Tiger Triumph” exercise (tri-service exercise) with the United States in November 2019 off the Visakhapatnam and Kakinada coasts. The training event was meant to enhance US-India military-to-military relations and hone individual and small-unit skills in humanitarian assistance and disaster response. In June 2020, India also inked the Mutual Logistics Sharing Agreement with Australia to facilitate reciprocal access to military logistics facilities, allow more complex joint military exercises, and improve interoperability between the security forces of the two nations.

India has reached out to a number of countries, including Australia, Indonesia, and Vietnam, to fast-track Prime Minister Narendra Modi’s “Indo-Pacific Oceans Initiative,” an open global initiative that draws on existing regional cooperation architecture and mechanisms to focus on seven central pillars conceived around maritime security; maritime ecology; maritime resources; capacity building and resource sharing; disaster risk reduction and management; science, technology, and academic cooperation; and trade connectivity and maritime transport.

India and Japan have also concluded the much-anticipated Mutual Logistics Pact for their Navies to ensure a free and open Indo-Pacific region. This pact is aimed at ensuring “the facilitation of smooth provision of supplies and services between the Self-Defense Forces of Japan and the Indian Armed Forces.” This agreement would give the Indian Navy access to the Japanese military base in Djibouti and the Japanese Navy access to Andaman and Nicobar Islands. Given the growing Chinese footprints in the Indian Ocean, the Indian Navy is also looking to strengthen its Indian Ocean outreach. Djibouti is located between the Gulf of Aden and the Red Sea and is an important entry point to a vital sea-lane. This agreement would additionally contribute in enhancing Maritime Domain Awareness in the Indo-Pacific region.
Under the Trump administration, India’s ties with the United States have burgeoned, with the two countries kicking off the 2 + 2 Dialogue, reinvigorating the Quadrilateral Dialogue, operationalizing the Logistics Exchange Memorandum of Agreement (LEMOA) in 2016, and signing the Communications Compatibility and Security Agreement (COMCASA) in 2018. LEMOA allows both countries to replenish from the others designated military facilities. These services include food, water, billeting, transportation, petroleum, oil, lubricants, clothing, medical services, spare parts and components, repair and maintenance services, training services, and other logistical items and services. The US Navy’s long-range anti-submarine warfare and maritime surveillance aircraft, P-8 Poseidon, carried out its inaugural refuelling from India’s strategic base in Andaman and Nicobar Islands in October 2020. COMCASA is associated with secure military communication. India has also finally signed the long-pending Basic Exchange and Cooperation Agreement (BECA) for geo-spatial cooperation in October 2020. BECA enables supply of high-end equipment as well as real-time intelligence and information sharing.

Defense ties have also improved a great deal, with India receiving the Apache in July 2020 and Chinook helicopters in March 2020 and deploying P-8s and C-130s to expand its reach in the Indian Ocean. With the United States granting India the Strategic Trade Authorization Tier 1 status, further exports of advanced technology can happen in the future. Past Indian diffidence in engaging with the United States has given way to greater confidence in building substantive ties.

Such an approach toward enhancing partnerships with like-minded countries is in sync with the Modi government’s broader worldview that strategic partnerships are key to enhancing, not restraining, New Delhi’s strategic autonomy. According to this view, instead of shunning closer engagements and being obsessed about non-alignment, India should be (and is) developing such partnerships in order to enhance its strategic room to maneuver vis-à-vis China in particular.

**Modi’s broader worldview is that strategic partnerships enhance New Delhi’s strategic autonomy**

**Upgrading the Quad**

With uncertainties about the global multilateral order, including but not limited to the pandemic, a proliferation of minilateral and plurilateral initiatives is becoming the norm, especially in the Indo-Pacific, which is bereft of substantive institutions. One particularly notable example in the Indo-Pacific region is the
Quadrilateral framework involving the United States, Japan, India, and Australia. In the first senior officials meeting of the revived Quad held in 2017 in Manila, there was no joint statement. Instead, four separate statements from the foreign ministries of each country were brought out. Now, this platform is seeking to become more robust and is coalescing around common security concerns and regional security issues.

While it is still far from being an “Asian NATO,” India is no longer reticent about engaging in this platform and is even willing to give it more hard power heft. More recently, the Quad countries have tried to operationalize their cooperation on “connectivity and infrastructure development as well as security matters such as counter-terrorism, cyber, and maritime security to promote peace, security, stability, and prosperity in the Indo-Pacific.” There has been a substantive stepping up of engagement with the Quad ministerial meeting in October 2020 in Tokyo; and in November 2020, Australia participated in the annual Malabar naval exercises alongside the Indian, Japanese, and US navies. Though Australia wanted to be part of the exercises for some time, even expressing its desire to join in as an observer in 2017, India did not entertain this offer until 2020 in order to avoid irking China. The four nations are seeking to give greater military teeth to this platform. When Australia joined the Malabar exercises, a “military quotient” was added to the Quadrilateral platform which, despite being operational since 2017, struggled to gain traction until China’s aggressive behavior forced India to recalibrate its China policy in particular and its Indo-Pacific policy in general.

Diversifying Supply Chain Networks
At a time of serious global economic disruption caused by COVID-19 and China’s unreliability as an economic partner, India is working with Japan and Australia to achieve supply chain resilience in the Indo-Pacific region as they seek to reduce their economic dependence on China. In their first official conversation in September 2020, Prime Minister Narendra Modi and Japanese Prime Minister Yoshihide Suga have also agreed that the “economic architecture of a free, open, and inclusive Indo-Pacific region must be premised on resilient supply chains.” Senior officials of the foreign ministries of the four Quad countries during their September 2020 virtual meeting also reiterated the importance of “enhancing the resilience of supply chains.” The three nations are also looking to expand this network by inviting other countries in the region like the ASEAN member states to join this initiative.

A trade and tech dispute had been escalating between the United States and China for some time now—its center is Huawei, a major 5G equipment manufacturer from China. There is widespread suspicion about Huawei being the Chinese
state’s backdoor to global surveillance, leading to Huawei either being barred from 5G networks in countries such as the United States and Australia or allowed to have limited participation in countries such as the United Kingdom.\textsuperscript{49} Though India has received proposals from six companies, including from China’s Huawei and ZTE, to conduct 5G trials, key ministries have clearly indicated that local carriers should avoid using gear from Chinese vendors in future 5G networks.\textsuperscript{50}

The decision taken by government-owned networks, defense networks, and other sensitive networks in India is likely to be driven by political factors. There is a growing consensus in India that the nation should build networks using indigenous products and nurture strategic partnerships with countries such as Japan, South Korea, Germany, and Scandinavian countries with whom India shares strategic convergence. Prime Minister Modi has also suggested that “5G could be an exciting new avenue for collaboration between New Delhi and Washington. The way India moves or whatever choices India makes will essentially determine the way the global trend will go.”\textsuperscript{51}

This decision is likely to be a real test of regional partnerships to see how far they would be willing to go to reduce their trade reliance on China at a time when Indo-Pacific strategic equations are in a state of flux. New Delhi has made its preferences very clear in its bilateral engagement with China as well as where it has begun to wall off certain key strategic sectors of its economy from Chinese penetration.

\textbf{Recalibrating Economic Ties with China}

China’s mishandling of the coronavirus pandemic in its initial stages, resulting in the global health crisis and economic distress, had already generated a backlash worldwide against the Chinese Communist Party. Demands for a complete boycott of Chinese products that have risen in India from time to time in the past have become stronger in recent months. Even before Indian and Chinese militaries started squaring off across the LAC, Prime Minister Modi was suggesting that the biggest lesson from the COVID-19 pandemic was the need to become self-reliant in key areas of the economy (though New Delhi had also been reiterating that this call for \textit{Atmanirbhar Bharat} was in no way a call for protectionism and was certainly not directed toward any other country, including China).

However, there has been a concerted attempt by India to reduce reliance on Chinese imports and investments, with New Delhi listing alternative suppliers
of critical components that India cannot manufacture. Indian companies have been submitting proposals to “impose COVID-19 import duties of as much as 15 percent on non-essential imports across sectors, even for products routed through countries that have free-trade agreements with India.” For the import of these critical components, Japan and South Korea have been identified as the alternative sources for lithium batteries and other technical components, and automobile components are being imported from Southeast Asian countries like Singapore.52

As tensions escalated with China along the disputed LAC, India moved ahead and banned a total of 224 Chinese apps, citing data privacy concerns and a threat to national security.53 Blocking these Chinese apps from its huge domestic market is a way to strike back against China. Some of the banned apps—including Baidu, TikTok, Alipay, and some versions of the messaging app WeChat—are operated by the largest Chinese internet companies like Tencent and Ant Financial. Many of these companies see India as an avenue of growth. For New Delhi, this decision was a targeted move to ensure safety, security, and sovereignty of Indian cyberspace.54

India aims to reduce its overall economic dependence on China in the long term, but in the short to medium term it is pursuing a sectoral walling off in pharmaceuticals, auto, and electronics sectors from China to signal its seriousness of intent. Alternative supply chains with partners in the Far East, Europe, and the United States in these sectors have been proposed, with some suggesting an outright ban on the import of petrochemical products where the local industry has the capability to meet domestic demand.55

Evolving the Stance on Taiwan, Hong Kong, and Tibet
Taiwan is looking to engage with countries of the Indo-Pacific region through its New Southbound policy, an initiative of the Government of Taiwan under President Tsai Ing-wen launched in 2016 that aims to enhance cooperation and exchange between Taiwan and 18 countries in Southeast Asia, South Asia, and Oceania. Ambassador Tien Chung-kwang, who represented Taiwan in India for seven years, has been made Taiwan’s deputy foreign minister, highlighting the importance Taipei now attaches to its engagements with New Delhi. New Delhi, too, is willing to reciprocate and move to substantially elevate ties with Taipei against the backdrop of its deteriorating ties with China.56

Taiwan is critical for India’s broader Indo-Pacific policy as well. Several Taiwanese firms are investing in India. Notably, the Taiwanese electronics manufacturing firm Hon Hai (or Foxconn) has ambitious plans to establish a production
presence in India as was demonstrated by its decision to build a new plant in Maharashtra to the tune of US$5 billion over five years.57

There are also joint initiatives under the banner of the “Make in India” initiative. One of them is a US$200 million investment agreement between Optiemus Infracom, an Indian telecommunications firm, and the Taiwanese Wistron Corporation to make telecommunications products in India over the next five years. Additionally, the Taiwan Electrical and Electronic Manufacturers’ Association (TEEMA) and the smartphone manufacturing firm OPPO plan to form an “electronic manufacturing cluster” in Noida, which is expected to create 30,000 local jobs.58 Taiwanese electronic industry giants such as Foxconn have always wanted a stronger presence in India. The Modi government has suggested the possibility of a Free Trade Agreement with Taiwan on the lines that Taiwan maintains Economic Cooperation Agreements with Singapore and New Zealand.59

There are many other avenues for cooperation that India and Taiwan can explore optimally like trade, investment, tourism, and education. Additionally, there are a number of sectors that are critical for India’s next phase of technological evolution like electronics, semi-conductors, and 5G where Taiwan is one of the global exemplars.60 Engaging with Taiwan will also help India along with its other partners like the United States, Japan, and South Korea to diversify global supply chains.

Meanwhile, with respect to Hong Kong, India raised its voice in July 2020 at the UN Human Rights Council in Geneva against the imposition of China’s June 30, 2020 security law. India’s permanent representative to the UN in Geneva, Rajiv Chand, stated in the meeting that, “given the large Indian community that makes the Hong Kong Special Administrative Region of China its home, India has been keeping a close watch on recent developments. We have heard several statements expressing concern on these developments. We hope the relevant parties will take into account these views and address them properly, seriously and objectively.” This statement marked the first time that India had spoken on the Hong Kong issue, which at the time was the only Quad country not yet to have mentioned or spoken about the issue in public.61 Though this statement was relatively subdued, New Delhi spoke about the issue publicly in a multilateral setting, underscoring a gradual evolution in Indian thinking on the issue.

There are now suggestions that New Delhi could start becoming more vocal in its support for Tibetan autonomy and democracy after August 2020, when it recognized a secretive Indian military unit with Tibetan soldiers called Special Frontier Force (SFF). A Tibetan solider from this unit was killed on the front lines of clashes with China and was given a funeral with full military honors.62 That such moves carry costs for India is not in doubt—but that New Delhi now seems willing to bear those costs is an indication of how dramatically the situation has evolved in Asia over the last few years.
Delhi Has Recalibrated Its Indo-Pacific Presence

China’s growing assertiveness in the broader Indo-Pacific region in general and along the LAC with India has prompted a rethink in New Delhi of its China policy and the larger Indo-Pacific outlook. Given Chinese sensitivities, India had been reluctant to brand its Indo-Pacific policy as a “strategy” but has mostly referred to it as its “vision” for the Indo-Pacific. As a more robust Quad takes shape and as other regional powers also recalibrate their China ties, India is trying to devise a stronger Indo-Pacific approach with other like-minded nations. The securitization of the Quad with joint military exercises and moves toward greater interoperability might be the first step as a new security architecture emerges in the maritime geography.

China’s growing presence in the Indian Ocean and its deteriorating ties with India have led New Delhi to substantively enhance its presence and influence in the Western Pacific, which is China’s backyard. This enhancement perhaps is the rationale behind the creation of a new division within India’s Ministry of External Affairs. The Oceania division is envisioned to bring India’s administrative and diplomatic focus on the region stretching from the western Pacific (with the Pacific islands) to the Andaman Sea. This is the region where China is trying to maintain its dominance and India is willing to underscore its own relevance.63 Besides countries in Southeast Asia, the Oceania division will include Pacific Island states such as the Cook Islands, Tuvalu, Papua New Guinea, Nauru, the Marshal Islands, the Solomon Islands, and Tonga.

Along with the Western Indian Ocean, the Eastern Indian Ocean also forms an important area of interest in India’s Indo-Pacific approach. For greater presence in this part and gaining trust of its Southeast Asian neighbors, India will have to interact and engage more as part of its Act East Policy along with the other Quad members who also have a substantial influence in this region. Besides the security connotations, the Quadrilateral platform will be an important focus in India’s policy calculus for building alternative supply chains, collaborating on COVID-19 treatments and vaccines, and reducing economic dependence on China.

Chinese assertiveness toward India is producing exactly the opposite effect of what it probably intended to do. Indian public opinion, which was already negative about China, has now turned even more strongly anti-Chinese.64 Those in India who have been talking about maintaining equidistance from China and the United States will find it hard to sustain that position. As a consequence, New Delhi will now be even freer to make policy choices, both strategic and economic, that will have a strong anti-China orientation. From trade and technology to regional and global partnerships, Indian foreign policy and national security choices are now more explicitly targeting China than ever before.
Notes


3. Modi, “Prime Minister's Keynote.”


31. “Indian Navy Deploys Warship.”


42. Snehesh Alex Philip, “The 3 Foundational Agreements with US and What They Mean for India’s Military Growth,” The Print, October 27, 2020, https://theprint.in/defence/the-

43. Philip, “The 3 Foundational Agreements with US.”
51. “India Should Take ‘Independent, Inclusive’ Decision.”
54. Yasir and Kumar, “India Bans 118 Chinese Apps.”
58. Karackattu, The Case for a Pragmatic India-Taiwan Partnership.


