

India's Ostpolitik

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The Asia-Pacific region is important to India not only for strategic reasons but also as a key component of Modi's plans to bring about an all-round transformation of India.



Vietnam will not become for India what Pakistan is to China, and China is unlikely to trim its sails in our neighbourhood. Illustration by Anirban Ghos

Prime Minister  [Narendra Modi](#)'s recent visit to Vietnam in advance of his participation in the G-20 Summit at Hangzhou, China, with the announcement of a \$500 million defence line of credit, had the hallmark of a classic outflanking manoeuvre that Chanakya may have approved of. As Chinese activism on India's western flank increases, as manifest in the China-Pakistan Economic Corridor project and the development of Gwadar as a potential Chinese naval base, engaging more closely with countries in China's

neighbourhood, particularly those threatened by its unilateral military actions in the South China Sea, appears to make sense. The intent was not lost on a commentator in the Chinese paper, Global Times, who observed: "New Delhi and Hanoi both wish to raise their bargaining position while having interactions with China but neither of them wants direct confrontation with Beijing."

This is a fair enough assessment. Even the Vietnamese are not sure how useful the newly minted Comprehensive Strategic Partnership with India will be. They have the same kind of partnership with China and Russia already, and observe that China is a much bigger partner. The Vietnamese Communist Party continues to have close fraternal relations with its Chinese counterpart, and this gives China another channel of influence. In short, Vietnam is not going to become for India what Pakistan is to China, and China is unlikely to trim its sails in our western neighbourhood because of our activism in its eastern neighbourhood. But this can be a useful component of the larger emerging countervailing coalition in the Asia-Pacific, which includes partnerships with more substantial powers such as the US, Japan, Australia and now South Korea, spooked by Chinese inability or unwillingness to rein in its North Korean ally. It was no coincidence that the latest Korean nuclear test was timed to cast a shadow over the G-20, East Asia and ASEAN partnership summits.

On the South China Sea issue, China adopted a more nuanced role. While it successfully prevented any critical reference to the dispute, in particular in the UNCLOS arbitration ruling in the various summit declarations and statements, it avoided voicing harsh and aggressive claims. Chinese premier Li Keqiang addressed the issue in his speech at the ASEAN-China summit, calling for peaceful dialogue to settle disputes, and engagement in cooperative activities in the meantime. There was a commitment to pursuing the early conclusion of a Code of Conduct, and in the meantime, two important agreements were signed as confidence-building measures. One was the setting up of a hotline to deal with maritime emergencies, while the other was for the Code for Unplanned Encounters at Sea (CUES). There is no doubt that in the aftermath of the UNCLOS Arbitration Court's ruling against China on the South China Sea, China's tone has changed and it is trying to project a more reassuring and accommodating approach even while insisting on its claims. The latter aspect was evident in Li's call to "construct a security framework that benefits all sides so as to reduce repulsion, avoid confrontation and properly handle various sensitive issues to open a way of safe development that conforms to regional reality". 'Regional reality' is code for China's claim to economic and security dominance of the region and its control over several disputed features in the South China Sea.

On the sidelines, China, Japan and Korea agreed to revive negotiations on a trilateral Free Trade Agreement, which, if implemented, would be a formidable economic grouping, including the world's second and third largest economies, along with another major economic power, Korea. If the Trans-Pacific Partnership, led by the US, fails to come through, as seems likely, this proposed grouping will make the US pivot to Asia even more problematic.

In the East Asia summit declaration on 'Promoting Infrastructure Development Cooperation', China's 'One Belt One Road' initiative figures prominently along with the key role that the Asian Infrastructure Investment Bank and the Silk Road Fund, both promoted by China, will play in this sector. For ASEAN's Connectivity Plan, China's contribution could be the most significant. India's announcement of a \$1 billion fund to support ASEAN-India connectivity projects sounds modest in comparison.

The Asia-Pacific region is important to India not only for strategic reasons but also as a key component of Modi's plans to bring about an all-round transformation of India. The invitation to Singapore's Deputy Prime Minister Shanmugaratnam to deliver the first Eminent Person's lecture at the NITI Aayog on August 26 this year had the special purpose of exposing India's governing elite to the dynamics behind the economic transformation of successful East Asian countries. Modi clearly sees India's strategic space impacted significantly by the emergence of China. But he also sees the East Asian experience as a model for India charting its own destiny as a strong and successful power.

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