



US-China Relations Study Group

U.S.-China tensions as seen from India: Where is India’s “strategic autonomy” going?

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In India, the administration of Prime Minister Narendra Modi consolidated its power base in 2019 when it won a landslide general election victory. However, India’s foreign policy has since been greatly impacted by China’s moves toward it—especially since the outbreak of the new coronavirus pandemic. Let me, in my personal capacity, focus on how India has been managing its relations with China while having cherished “strategic autonomy” as its foreign policy norm, and how the country has been strengthening and accelerating its relations with Japan, the United States, and Australia, among others.

“Strategic autonomy” diplomacy / The latest on India’s ties with the U.S. and China

“Strategic autonomy” is India’s foreign policy mantra. It aims to implement foreign policy actions in a way favorable to India’s own national interests while being free from constraints from foreign countries. It is thought that behind this is a combination of India’s deeply rooted aversion—because of its history of being under colonial rule—to foreign interference, its pride of being a regional power, and its strategic environment bordering

with China and Pakistan.

India's perception of China, one of its neighboring countries, is intricate. India and China are culturally related and have a common history of fighting colonialism and imperialism and promoting the Non-Aligned Movement. Nonetheless, the negative bilateral factors stemming from the Sino-Indian border clash of 1962, the cooperative partnership between Pakistan and China, and India's colossal trade deficits with China, among others, have adversely affected Indian people's sentiments toward China.

In recent years, China's influence has increased in Sri Lanka, the Maldives, and Myanmar, among other neighboring countries of India, as well as in the Indian Ocean. In response to China's pivot to South Asia, India has modified its foreign policy focus. Immediately after coming to power in 2014, Prime Minister Modi launched a "Neighborhood First" policy. Symbolizing the importance of the policy, he visited Bhutan and Nepal in the early days of his first term and the Maldives and Sri Lanka soon after his re-election in 2019. Following his state visits, India has proactively extended cooperation to those neighboring countries for infrastructure development. As part of its regional efforts, India has partnered with Japan to provide third-country cooperation in Bangladesh, Sri Lanka, and Myanmar, among other countries, for advancing infrastructure development in each of them.

Modi's second signature foreign policy is the "Act East" initiative, which superseded the "Look East" approach India had previously pursued. India, under the Modi administration, has enhanced its partnership with the Association of Southeast Asian Nations (ASEAN) and attached great importance to the ASEAN-hosted East Asia Summit. Also, as part of the Act East push, India has embarked on joint infrastructure development

plans with Japan in northeastern India, which is a gateway to ASEAN.

The third foreign policy agenda India is now pursuing is an “free, open and inclusive Indo-Pacific.” While India’s initiative emphasizes that such a concept should be not only “free and open” but also “inclusive,” what it has in mind is common to the “free and open Indo-Pacific (FOIP)” vision Japan envisages, incorporating such principles as the rule of law, freedom of navigation, and free trade. Likewise, India has become positive about setting up a framework of quadrilateral cooperation, involving Japan, the United States, Australia and India, a development that is characteristic of the South Asian country’s recent foreign policy tendency. On the other hand, from the perspective of retaining its balanced foreign policy approach, India remains engaged in such international frameworks as the China-Russia-India cooperation mechanism, the Shanghai Cooperation Organization and BRICS cooperation involving Brazil, Russia, India, China, and South Africa.

The recent state of diplomatic relations between India and China can be highlighted by two bilateral summits. In 2017, Modi visited China when tensions rose between the two countries in the wake of the Doklam standoff between Indian and Chinese troops along the China-Bhutan border. The so-called “Wuhan Spirit” emerged between him and Chinese President Xi Jinping, to be followed by the so-called “Chennai Connect” that was agreed upon when Xi visited India in 2018. The two accords, aimed to manage India-China relations at the leaders’ level, are widely thought to have turned out to be nothing but rhetoric without nay backup.

In contrast, India-U.S. relations have been strengthened in both symbolic and practical terms. When Modi visited the United States in 2019, U.S. President Donald

Trump participated in the “Howdy Modi!” event in Houston to symbolize their close personal relations. Modi welcomed Trump in a massive rally dubbed “Namaste Trump!” when the U.S. head of state toured India in 2020. On the practical side, India and the United States have agreed to raise the level of bilateral relations to that of the Comprehensive Global Strategic Partnership. They have also agreed on India’s procurements of U.S. arms and military equipment. Additionally, the two countries have deepened bilateral cooperation by concluding the India-U.S. Logistics Exchange Memorandum of Agreement (LEMOA), holding 2+2 ministerial dialogues between Indian and U.S. foreign affairs and defense chiefs and embarking on bilateral free trade agreement (FTA) negotiations.

COVID-19 accentuates India’s economic dependence on China / Efforts toward a “self-reliant India”

While India was in such a situation, COVID-19 broke out, spreading to various parts of the world, including India. The pandemic has inflicted social and economic damage to India to the extent that the country has posted the world’s second highest number of COVID-19 cases with a temporary nationwide lockdown imposed. Consequently, India’s foreign policy has been greatly affected in both economic, political and security terms.

On the economic front, India has rapidly become alarmed over China against the backdrops of its wariness of the possible acquisition of Indian companies by Chinese entities taking advantage of the coronavirus-caused decline in their market capitalization; growing concerns over the risks of exorbitant dependence on Chinese supply chains; and a military standoff with China at a disputed border. India’s public and private sectors

have subsequently taken a series of actions against China. The government has changed foreign direct investment rules, making its prior approval mandatory for all inward investments from countries sharing land borders with India. It has also imposed restrictions on bidders from bordering countries in public procurements, requiring prior registration. Moreover, it announced a ban on Chinese mobile applications such as TikTok. For their part, Indian consumers have begun boycotting Chinese products and staged protests against imports from China.

At the same time, India has become increasingly inclined to look forward to receiving support from Japan, the United States, and major European countries to facilitate its efforts to get rid of its dependence on the Chinese supply chains. When the Japanese government announced an initiative to help Japanese companies diversify their overseas supply chains, India's media outlets carried articles full of expectations that almost all Japanese companies might move their operations in China to India. The Indian government has already introduced a variety of incentives to lure Japanese, U.S., and European companies to India.

The Indian government has unveiled a policy slogan of “self-reliant India,” calling on Indian companies—manufacturers in particular—to complete their procurements as domestically as possible. Modi denied that the self-reliant policy was about being self-contained or being closed to the world. He then created a new catchphrase, “Make for the World,” on top of his earlier slogan of “Make in India.” As for the Regional Comprehensive Economic Partnership (RCEP), there is strong opposition to it from domestic constituencies in India because of fears that the pact would only result in increased dependence on China. Given that the pandemic has shown how greatly India

has had to economically depend on China, the Indian government is expected to accelerate its quest to agree on FTAs with the United States, Australia, and New Zealand on a bilateral basis.

Fast-deteriorating relations between India and China / Where is “strategic autonomy” headed?

The deadly border clash between Indian and Chinese forces, which took place recently, has been affecting India-China relations in the political and security area. Since the 1962 border clash between India and China, skirmishes between their forces had occurred intermittently. This time, India accused Chinese troops of intruding into its territory by transgressing across the Line of Actual Control (LAC) in eastern Ladakh in May this year (2020)—amidst the raging COVID-19 pandemic. In June, the standoff developed into the first deadly clash in 45 years. The Indian government initially opted for a low-key response—as in the past cases of border skirmishes—by seeking to reach a peaceful settlement with China. But, as public anger mounted in India, the Indian government then began strongly denouncing China for making a one-sided change in the status quo along the border. Now there is an increasingly widespread observation in India that the latest border clash was so different in nature from the past skirmishes that it was part of China’s opportunistic attempt to unilaterally alter the territorial status quo by taking advantage of the military vacuum caused due to the coronavirus pandemic.

Against this particular background, India is hurriedly increasing cooperation with Japan, the United States, and Australia. To that end, India has taken the following specific actions:

First, between late 2019 and early 2020, India arranged visits to the country by the Japanese, U.S., and Australian heads of government. While Prime Minister Abe Shinzo and Australian Prime Minister Scott Morrison were unable to visit India as scheduled for December 2019 and January 2020, respectively, because of domestic circumstances, Trump visited India in February 2020, as mentioned earlier.

Second, India agreed with Australia in June this year to start holding so-called 2+2 ministerial talks, involving their foreign and defense ministers—in addition to the existing 2+2 ministerial dialogues with Japan and the United States. The third dialogue with the United States will be held late this month (October 2020).

Third, in addition to the Logistics Exchange Memorandum of Agreement (LEMOA) with the United States, India signed the Mutual Logistics Support Agreement (MLSA) with Australia in June and the Acquisition and Cross Serving Agreement (ACSA) with Japan in September.

Fourth, early October 2020, the second Japan-U.S.-Australia-India Foreign Ministers' Meeting was held with the four countries agreeing to regularize the talks and further develop practical cooperation in various areas such as infrastructure, maritime security, counter-terrorism and cyber security, among others.

Fifth, Japan, the United States, and India have invited Australia to join them in the annual “Malabar” naval exercises off India.

On the other hand, India's minister of external affairs held a meeting with the foreign ministers of China and Russia in June. The Indian, Chinese, and Russian foreign ministers also held trilateral talks on the sidelines of the Shanghai Cooperation Organization (SCO) in September. In November, India is scheduled to take part in an SCO summit and a

BRICS summit. In symbolic terms, India is expected to maintain a balanced foreign policy approach and “strategic autonomy.” But, in practical terms, India is expected to continue strengthening cooperation with Japan, the United States, and Australia. Especially, considering that the free and open Indo-Pacific vision has become the grand design of India’s foreign policy or the important vision for the country, there is no doubt that India will keep strengthening cooperation with like-minded countries with a view to realizing the FOIP.

Japan-India relations: ‘The Special Strategic and Global Partnership’

Surrounded by such a strategic environment, Japan and India recognize each other as “special strategic and global partners,” sharing the FOIP vision and increasing security and economic cooperation. When the United States and China are at loggerheads, India considers Japan as the most reliable partner. From the Japanese perspective, a strong India is beneficial for Japan.

In the field of security, Japan and India have regularized their 2+2 dialogues, involving foreign and defense ministers, and signed the ACSA and the agreement concerning the bilateral transfer of defense equipment and technology. Furthermore, the land, sea and air forces of the two countries have enhanced cooperation by conducting joint drills.

In the economic area, India is the largest recipient of official development assistance (ODA) from Japan, while it has emerged as an important partner of Japan by advancing the “Make in India” industrial development initiative and helping make supply chains for Japanese companies resilient. As mentioned earlier, Japan and India have joined hands to

carry out infrastructure development projects in northeastern India and extend joint cooperation in third countries such as Bangladesh and Sri Lanka.

In shaping the post-COVID-19 international order, India as a power that shares the FOIP vision is a major player and an extremely vital strategic partner. Therefore, it is important to keep deepening cooperation with India by proactively utilizing the existing frameworks for cooperation not only between Japan and India but among Japan, the United States, Australia, and India.

***Editor's note:** This is an English translation of the author's remarks on October 22, 2020 in a lecture as compiled by Nakasone Peace Institute.*

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