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# VIF Expert Groups Reports



Edited by Naval Jagota



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## Editor's Note

In March six experts group discussions and one joint discussion with the Prospect Foundation were organised by the Vivekananda International Foundation through webinar on events and topics affecting India's interests from the neighbourhood, West Asia, China, the Indo-Pacific, Europe and US. Each of the members of the expert groups brought rich flavor and knowledge on the topic through their varied professional backgrounds (military, diplomacy and academia). This issue contains reports of the Europe, West Asia, Pakistan, US, Indo-Pacific, China Expert Groups and the VIF-Prospect group discussions.

In the Indo-Pacific experts group the discussions were the impact of developments in the oceanic areas of the Indo-Pacific (IP) on the littoral and the continental land-mass, and vice versa was discussed, and it was concluded that the IP had to be examined as a whole, and could not be limited to maritime dynamics only. In the China group the discussion was on the India-China relations post disengagement in which there was a need to acknowledge that the tension in the Ladakh Area was due to the structural crisis and not a transient phenomenon. Even though there has been some easing of tensions after the disengagement of troops, the relations are still going through a crisis, thus a need to look at the various aspects of the relationship was discussed. In the Pakistan group the discussions focussed on the unexpected developments in Pakistan both on the internal and external fronts. From armies of India and Pakistan

agreeing to ‘strictly’ observe LoC Ceasefire to the controversial senate elections in Pakistan and finally the FATF retaining Pakistan on its grey list.

The West Asia Group was focused on Iran’s Internal Political Dynamics and Foreign Policy Challenges. The key areas of discussion were on “Iran and the New US Regime”, “Iran’s Internal Dynamics and Economic Orientation” and the “Iranian Political Complex”. The newly formed European study group discussed India’s trade relations with the European Union (EU) which constitutes a very promising yet underutilised aspect in the India-EU partnership. It deliberated on the various issues and prospects for securing a trade deal with the EU. In the VIF-Prospect Foundation webinar the discussion was on India-China Relations amid the Galwan Stand-off and an analysis of China’s Two Sessions. The US group focused its discussions on the ‘first-ever leader-level summit’ of Australia-India-Japan-United States led Quadrilateral Dialogue (Quad) and deliberated on the joint statement as well as the future trajectory of the Quad.

The coordinators and researchers associated with these Expert Groups have put unfaltering efforts to coordinate the meetings and collate the notes for the reports in this issue.

**Naval Jagota**

**New Delhi**

**April 2021**

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# Impact of developments in the oceanic areas of the Indo-Pacific (IP) on the littoral and the continental land-mass

Compiled by Amruta Karambelkar

*The Indo-Pacific Experts Group met virtually on 3 March 2021. The meeting was attended by Vice Adm Anil Chopra (Retd), Amb Anil Wadhwa, Amb Gautam Mukhopadhyay, Amb Anil Trigunyat, Lt Gen. Ravi Sawhney (Retd), Gp Capt. Naval Jagota, Mr Anil Devli, Mr Rajiv Kher and Mr Akshay Mathur. The group discussed the LAC disengagement, coup in Myanmar, the recent developments in West Asia, and the Maritime India Summit 2021.*

### Introduction

The impact of developments in the oceanic areas of the Indo-Pacific (IP) on the littoral and the continental land-mass, and vice versa was discussed, and it was concluded that the IP had to be examined as a whole, and could not be limited to maritime dynamics only. Moreover, the events in the various sub-regions of the IP—ECOA (East Coast of Africa)/HOA(Horn of Africa), North West Indian Ocean, the Bay of Bengal, the Southern Indian Ocean, the West Pacific, Oceania—impact the geopolitics of the whole region, and must be examined as such. For example, any successful establishment of a deep-water port in Kyaukpyu in Myanmar, and its linkage to Yunnan would affect the fate of Gwadar, CPEC, and Karachi, and could well lead to pre-positioning of PLA-N assets in the entire IOR.

## **Developments**

In the last few weeks, the important events in the Indo-Pacific were the beginning of disengagement of Chinese and Indian troops at the LAC, the military coup in Myanmar, the change in US stance in Saudi Arabia over the Khashoggi affair, the discussions about resumption of the JCPOA, and the meeting of the QUAD foreign ministers on 12 March.

In a major policy-shift, China gave authority to its Coast Guard to fire on foreign vessels in disputed sea-areas such as the South China Sea (SCS). This has connotations for the entire Indo-Pacific.

## **LAC Disengagement**

- In an important breakthrough, Chinese and Indian forces commenced disengagement in the Pangong Tso sector on 10 Feb. This could lead to modification to Chinese strategy across the IP.
- There is however no clarity on further troop withdrawals from other hotspots such as Depsang, Gogra etc.
- Military talks between both sides continue to resolve LAC issues.
- It is evident that the situation is yet to return to normal, and India would have to tread carefully, keeping all options open. Towards this end, modernisation, force-rebalancing and increasing troop strength should continue. Ad-hoc-ism needs to end, and more resources allocated.
- The Indian military achieved major successes: in logistical support, troop movements in high altitude in short time, and no acclimatisation-related casualties.
- The Pakistan threat needs to be factored in.

## **Myanmar Coup and Impact on the Indo-Pacific.**

- The 2008 constitution was designed to keep the National League

for Democracy (NLD), and especially Daw Syu Ki out of power. The 2015 election overturned that supposition. The military had expected that the president and the civilian government would always be representing the military. NLD in power meant the military risked being side-lined.

- The military's involvement in the economy was reduced as the investments under the NLD government were going to independent businesses that were partial to the NLD. This bypassed the Tatmadaw and their holdings. A rebalancing of the economy, including land rights were underway in a manner that was unsuitable for the junta.
- The present declaration of emergency has no legal basis, and the military has violated the emergency provisions under the 2002 constitution by detaining the president, and taking over power. The armed forces now have powers to veto and amend the constitution.
- It does however appear that the military has miscalculated and will not be able to forge a favourable coalition of political parties. It has also underestimated the extent of popular sentiment against the military.
- Over the recent past, Myanmar has seen an explosion of freedoms including internet penetration and social media. The new generation is connected to the world, and is more familiar with English.
- It is unlikely that China is behind this coup. The dynamics of Myanmar with China are now different, but the military will count of China's support in the UN and in turn China will extract whatever it can.
- Popular perception of China has taken a hit, and the youth has connected with the Milk Tea Alliance, which has got a boost with the joining of the Myanmar movement, and also some support

from Tibet.

- It is believed that Chinese-type firewall is being created in Myanmar with the help of Chinese technicians and the PLA.
- China has co-habited with both civilian and military governments, and it will continue with switching sides to best serve its interests.
- The US has gained traction, and there are demands for US intervention from within Myanmar. Thereby, western reaction has been sharp, while eastern reaction has been cautious. ASEAN has called for political stability.
- Russia is not politically significant, even though it was a major arms seller in the past, which they lost to China. Not much scope for Russia influencing events in Myanmar.
- The role of Buddhist monks could be significant. Despite their political backing of different factions in the past, they remain closer to the people rather than to the governments.
- If the popular anti-China sentiment sustains then it will affect all Chinese projects, including Kyaukphyu. India should bear the latent anti-China sentiment in public protests in mind. This movement is unlikely to die down, though it may be stifled and suppressed. The Myanmar people want change.
- There are reports of China pressurising the junta to restart stalled projects for support at the UN. However, popular opinion against Myitsone dam is intense. Informal trade from India has increased. Currently it is restricted to Manipur, but may also expand to the rest of the North East.
- When China talks about BBIN, it is thinking about Yunnan to Mandalay and from Mandalay to Moreh and not the Stilwell route. It is this route- the shortest and the most practical route from China to India, which the Chinese will use to target the north-east. They will also use Stillwell if they have to.

- India should expand its engagement in Myanmar and include Japan and others.
- If China-Myanmar relations solidify, then India's current military activity in A&N will be affected.

### **West Asia- Biden Administration and Iran, Israel, Turkey and Saudi Arabia.**

- These four countries are the strong pillars that determine affairs in West Asia.
- UAE is manipulative and has middle-power ambitions. The current ambassador, had become very close to Trump administration, and this may cause some initial ripples.
- Iran remains intransigent, wanting to have its cake and eat it too, Elections due in Iran, and it may miscalculate the extent of keenness of the Biden Administration to re-enter JCPOA.
- Trump, despite his maximalist position and unpredictability; deserves credit for remaining engaged in West Asia till the end.
- Saudi Arabia assesses that due to its inclusion in the Abraham Accords and blockade of Qatar the Biden administration will not be warm to the Kingdom, especially over the question of Yemen. Human rights are important to the US, so Saudis tried to reduce their direct involvement. UAE had done this earlier. But Houthis are not giving up because Iran is trying to pressurise in every theatre that it can via its proxies.
- Biden has suspended sale of short-range missiles to Saudi Arabia. This is perhaps a CBM towards Iran to begin a dialogue between them. Towards this end, Biden did not interact with West Asian allies for a month, a departure from Trump's approach.
- Israel remains important for US- domestically and also for its policy in the Middle East.

- The US would like to re-enter JCPOA, because Iranian nuclear capabilities appear to have increased significantly. However, if Tehran insists on prior removal of all sanctions instead of the American offer of limited lifting of sanctions for Iran guarantees, then the situation may remain frozen. The US attack on pro-Iranian faction in Syria was a message that Washington would not hesitate to use hard power if the situation so demands, and if the conservative hard-liners in Iran continue to stonewall any progress in the negotiations.
- US, China and Russia and Europe are on the same page on Iran. Europe is assisting US efforts that the deal is not stalled, and Biden re-enters the JCPOA honourably.
- Turkey has emerged as a major player in the region. It has militarised its foreign policy, strengthened its ties with Russia. Turkey is involved in Libya, Iraq, Syria and Mediterranean. Turkey- Saudi Arabia relations are adverse. Despite concerns over its actions, Turkey has remained important for Biden administration due to Russia factor.
- Saudi-US relations seem to take a new shape partly due to change in Biden administration's approach to Saudis and the Kingdom's efforts to de-militarise its foreign policy. The US is pushing Saudi Arabia in a certain direction.
- India is likely to take its vaccine diplomacy to West Asia. It needs to be cognisant of China's moves in Iran.
- Oman is a critical player for India in the Indian Ocean, being neutral and a balancer in the region, and Delhi needs to continue to strengthen ties with the new dispensation in Muscat.
- India needs to assess the odds of strengthening ties with Iran, even though the country is vital for energy security and access to Central Asia. India has good bilateral relations with all in West Asia but there is difference of a degree. India will not take sides;

will not be an arbitrator. GCC is important for India, but so is Iran. India needs to take advantage of economic potential of Iran should sanctions be lifted. No regional country objects to India's strategic rationale for relations with Iran.

- India's defence engagement with West Asia is growing. US led multilateral exercise Operation Desert Eagle will be conducted in UAE in March in which India would participate with SU-30s, C-17s and IL-76s. This was a platform to engage with countries across the length and breadth of the IOR. Earlier, India had participated in Exercise Blue Flag 2017 which was led by Europe in Israel but in which no other West Asian country had taken part. India and Oman defence relations have been ongoing since 2009.
- The overall Indo-Pacific strategy will affect US positions in Afghanistan and Myanmar. But China is not a strong factor for the US in Afghanistan.

### **Shipping and Maritime Trade.**

- Opening up of Nicobar for commercial purposes would have great benefit for India. Development of Nicobar does not affect trans-shipment in Colombo. Sustaining logistics in Andaman & Nicobar (A&N) islands from the mainland is difficult.
- India needs funding to develop its shipping industry. A mutual-fund like approach will be beneficial to this end. The sector's need for capital needs to be addressed. Hence more avenues need to be explored.
- To develop Indian shipyards, it needs to also factor Russia. More alternatives are needed for Cochin Shipyard. Smaller Indian yards need technology than can come from Russia.
- Russia brings several advantages in shipping- it has expertise in shallow-draught ports, inland shipping and a healthy ship-

building industry. Need to interact for commercial shipping.

- Since many ship yards are in NCLAT awaiting bankruptcy, it is opportune time to talk to Russia.
- Russians will also be at advantage as they get investment opportunities in India. Russians can be invited to invest in carriage in India.
- The Indian shipping industry is keen on Chennai-Vladivostok corridor but there has not been any progress on the idea.
- Recently, focus in on container manufacturing in India. Need to allow leasing out of containers like aircraft, and aim to become a global supplier of containers.
- Disinvestment of SCI is difficult.
- There is disconnect between international trade and shipping, ports. Shipping needs to be mainstreamed in international trade policy of India and needs to be seen strategically. Long-term vision for shipping industry is required.
- Government needs to enhance its enabling ecosystem for private shipping industry.

# India-China Relations Post Disengagement

Compiled by Dr. Teshu Singh

*The Vivekananda International Foundation (VIF) organized a virtual discussion on India-China Relations Post Disengagement. The discussion was moderated by Amb Ashok Kantha. The other attendees were Dr Arvind Gupta, Mr Jayadeva Ranade, Lt Gen S L Narasimham (Retd), Lt Gen Ravi Sawhney (Retd), Lt Gen Rakesh Sharma (Retd), Amb TCA Rangachari, Prof Madhu Bhalla, Prof Sujit Dutta, Mr. Ananth Krishnan, Cmde Gopal Suri and Dr. Sanjeev Kumar.*

### **Introduction**

India-China relations are passing through a period of “exceptional stress” following the border incidents at the Eastern Ladakh. India’s External Affairs Minister (EAM) Dr S. Jaishankar has said: “The India-China relationship is today truly at a crossroad”. India and China were engaged in the worst conflict in four decades since April 2020. There is a need to acknowledge that this tension is due to the structural crisis and not a transient phenomenon. Even though there has been some easing of tensions after the disengagement of troops, the relations are still going through a crisis. In Post-Covid and Post -Galwan, the downturn in the relations has become evident but it may be noted that the pressure already existed.

The bilateral relationship is troubled by a host of unresolved issues. The current stand-off is just an illustration of a wide-range of concerns that India faces from China. The mutual disengagement at the Pangong Tso Lake is only the first step. There have been ten rounds of discussion of the core commanders so far, to discuss the remaining friction points. The entire process is going to be difficult to achieve (first disengagement at the friction point to be followed by de-induction).

### **The Rationale for a New Equilibrium**

The process of reset in India-China relations requires a new equilibrium. The corollary is that the old equilibrium or paradigm which was operational for the last three decades has broken down. The restoration of status quo ante is beset with a lot of difficulties. In the past three decades, India and China followed the policy of compartmentalizing the boundary question and the other outstanding issues were not allowed to come in the way of the development of relations. This policy of paradigm has not worked and there is a need to look for a new one for dealing with China. There is a need to make progress on the accumulated issues rather than just managing them.

### **Changing Nature of the Bilateral Relations**

The salience of the border issue in India-China relations has increased significantly due to the recent developments at the LAC. The stand-off at the Galwan Valley has changed the nature of the bilateral relation, it has become live/active. Until now, India had to contend with an extremely active boundary at the line of control in Pakistan and relatively quite LAC with China. Post disengagement, the LAC will still be live. Given the distrust the two sides face; it will be difficult to return to a situation of low deployment along the LAC.

Besides, Post disengagement there may be some easing of restriction on practical cooperation on India-China relations. These changes may not result in returning to the status quo ante. The disengagement on the

Pangong Tso Lake area has not in anyways reduced the need for a reset in relations with China.

### **Highlights of the Telephonic Conversation between the two Foreign Ministers**

On 25 February 2021, EAM Dr S. Jaishankar held a conversation over the phone for 75 minutes with China's State Councillor and Foreign Minister Wang Yi. They discussed, the situation along the LAC in eastern Ladakh as well as issues related to the overall bilateral relations. During the conversation, the differences in the perception and the route to normalcy were evident. There was no meeting of minds and it was more of each side putting their concerns and expectations.

Dr S. Jaishankar reiterated that the way to improve bilateral ties is only through peace and tranquillity at the border and the road to normalcy lies only through disengagement and de-escalation all along the LAC. Noting the completion of disengagement in the Pangong Tso Lake area, EAM emphasized that both sides should now quickly resolve the remaining issues along the LAC in Eastern Ladakh. Also, once disengagement is completed at all friction points, then the two sides could also look at broader de-escalation of troops in the area and work towards the restoration of peace and tranquillity.

He highlighted that both sides had always agreed that maintenance of peace and tranquillity in border areas was an essential basis for the development of bilateral relations. A prolongation of the existing situation was not in the interest of either side. It was, therefore, necessary that the two sides should work towards the early resolution of the remaining issues. It was necessary to disengage at all friction points to contemplate the de-escalation of forces in this sector. That alone will lead to the restoration of peace and tranquillity and provide conditions for the progress of our bilateral relationship.

On the other hand, the readout from the Chinese side was longer and different in its nuances from the Indian side. It sought to decouple the border situation from the overall bilateral issue. It suggested, the border issue was not the whole story of China-India relations and should be placed in a “proper position” in their relationship.

Wang Yi said that China and India should firmly follow the right path of mutual trust and cooperation between neighbouring major countries, and not go astray with suspicion and distrust nor fall back on a road of “negative retrogression”. He noted that the two countries need to properly handle the border issue to prevent the bilateral ties from getting trap into a “vicious cycle” because of it.

### **Difference in Perception about the Normalcy of Relations**

The main Chinese grouse seems to be that India was not observing the fundamental shared principle, i.e., “compartmentalizing” which was shelving differences of containing the difference and working on other areas such as trade and investment. Broadly, both sides agreed on returning to normalcy but have a difference in perception. For India, it is returning to the status quo while for China it is the restoration of trade and investment and other areas of the relationship.

### **Coverage of Galwan Stand-off in Chinese Media**

After the agreement for disengagement on the north and south banks of Pangong Tso, the PLA Daily, for the first time, publicly announced four Chinese casualties from the Galwan clash on 19 February 2021. Soon after the announcement, there was a change of pattern of coverage of the Galwan stand-off in Chinese media. After the announcement, it became the most widely discussed issue on Chinese social media. Sina Weibo was promoting hashtags that called on people to support the military.

After the announcement, thousands of abusive messages targeted the

Indian embassy's Weibo account. Such postures by the Chinese netizen appears to be backed by the government. The palpable reason for the negative attitude could be that the announcement came after nine days of disengagement on the Pangong Tso Lake area. The Chinese government would have felt that infusing nationalist propaganda in the middle of the crisis would help them to divert attention from the problems at home. Furthermore, taken some attention away from the disengagement and the PLA itself.

Such gestures also helped them to divert the attention from the withdrawal itself because there was a perception in China that "China has given away too much- "a piece for peace", that "the concession was inexplicable" and the agreement unfair and unfavourable to China".

The Chinese government punished people for any negative publicity about the death of soldiers. The state media reported that a person was arrested in Nanjing city for publishing insulting remarks about the PLA troopers. Qiu Ziming was arrested for questioning the figures of casualties and for asking the reason for the delay in announcing the same.

### **Perception/Narrative about India in Chinese Social Media**

In the entire build-up to the Galwan crisis, the projection of India in Chinese media is worth noting. China is highlighting the confrontational element of the bilateral relationship, as they do with Japan and the US. Overall, Chinese social media attention on India has increased. The origin of the crisis, as being portrayed in China, illustrates the Galwan valley as the triggering point of the entire crisis. The selective footage released by China, shows Indian soldiers were intruding and the PLA were resisting them. Seemingly, the context that the Chinese soldiers have come in and Indian soldiers were trying to evict them was missing. Thus portraying India as the aggressor.

### **Number of Chinese casualties/ fatalities at the Galwan**

The number of Chinese casualties remain unknown. The Russian agency TASS reported around 45 PLA soldiers lost lives in the stand-off. The Chinese announced honours for four but there was no mention of the injured soldiers. Reportedly, the Indian Northern Army Commander has hinted that could have been much more.

### **Complexities of the LAC.**

Of all the points that India has in Eastern Ladakh, it is difficult to evolve a standard relationship. Chinese are perplexed themselves as to what they contemplate as the LAC. Hence, there is a lack of clarification. The concept of buffer zone and moratorium are going to be prevalent for some time. The scheme of managing the McMahon line stands changed now. Henceforth, India has to be cautious that the Chinese may not just rely on border skirmishes but stretch to other domains like cybersecurity, electromagnetic spectrum, space etc.

### **Status of India-China Trade amid the Galwan Stand-off**

Amid the Galwan crisis, there was not much change in the India-China bilateral trade relationship. Overall, there is a decline in Indian import from China by 11 per cent. The reason for this is not clear. Around USD 30 billion of electric machinery equipment and boiler, were imported to India from China. Notably, the export of iron and steel increased to 320 per cent from India to China because of China's changing domestic economy.

### **India's position on One-China Policy**

Since 2009, India has stopped using the term One-China policy in official documents. Perhaps, there is no need to formally give-up the policy, even the countries that have serious differences with China have not given up the policy. The position of the Former Foreign Minister Mrs. Sushma

Swaraj seems to be appropriate. She had stated that while India supports “One-China policy” it expects China to adopt a “One-India policy”. India can make statements on Hong Kong, Tibet and Xinjiang at the appropriate forum whenever required and use it as a pressure point against China.

### **Conclusion**

The existing paradigm of India-China relations can no longer continue because there has been an accumulation of outstanding issues. EAM, Dr. Jaishankar has talked about 3 mutual and offered 8 propositions to develop India-China relations. Also, there are several other ideas. The bottom line is that there has to be at least incremental progress to resolve outstanding issues. India has made it explicit to China on several occasions that there should be an equal footing for the country and a return to the earlier position should not be expected anytime soon.

## **Pakistan and its Neighbourhood Dynamics**

Compiled by Aakriti Vinayak

*A meeting of the Pakistan Study Group was held via video conferencing on 8<sup>th</sup> March 2021. The agenda's main items were: DGMO'S statement, Senate elections- its fallout and implications, FATF- Grey list continuation, Afghanistan alternative routes to peace and International conference. The Meeting was attended by the following: Shri Arvind Gupta, Amb Satish Chandra, MsShalini Chawla, Shri Rana Banerjee, Shri CD Sahay, Amb Gautam Mukhopadhaya, Amb DP Srivastava, Amb Amar Sinha, Amb Arun Singh, Amb G Parthasarathy, Lt Gen Ravi Sawhney(Retd), Shri Tilak Devasher, Brig Rahul Bhonsle(Retd), Lt Gen Ranbir Singh(Retd) and Gp. Capt. Naval Jagota.*

### **Pakistan**

The month saw unexpected developments in Pakistan both on the internal and external fronts. From armies of India and Pakistan agreeing to 'strictly' observe LoC Ceasefire to the controversial senate elections in Pakistan and finally the FATF retaining Pakistan on its grey list, the month was eventful to say the least.

### **DGMO Statement on LoC Ceasefire-**

On 24-25 February 2021, in a surprise development the Directors General

of Military Operations (DGMOs) of India and Pakistan recommitted themselves to the 2003 ceasefire agreement at the Line of Control and agreed to address 'core issues' that could undermine peace and stability. A joint statement issued stated "Both sides agreed for strict observance of all agreements, understandings and cease firing along the Line of Control and all other sectors with effect from midnight 24/25 Feb 2021". This sudden move is a welcome step considering that the 2003 ceasefire had been in tatters since 2014 with over 5,000 incidents of ceasefire violations reported in 2020 itself. It has destroyed several homes, schools and infrastructure on both sides of the border. The ceasefire agreement reinforces the sanctity of the LoC and increases chances of stability. However, considering Pakistan's past track record India can't be euphoric about it and neither can it afford to lower its guard. It is pertinent to note that the agreement comes at a time when Pakistan's economy is in shambles and it continues to be under the scrutiny of the terror watchdog Financial Action Task Force (FATF). This new strategic positioning of Pakistan also comes at a time when it is staring at a post-US exit Afghanistan. Only time will tell how the agreement pans out until then India will have to watch with skepticism and caution. India desires a responsible Pakistan that prevents militant groups from operating within its territory and seeks economic and political cooperation with its neighbours.

### **Senate Elections Fallout**

On the internal front there was intense political action in Pakistan. On March 3, 2021 Pakistan held its indirect elections for the Senate, the upper house of Parliament. The Electoral College consists of the sitting legislators in the National Assembly (the lower house of parliament) and each of the provincial assemblies. The ruling Pakistan Tehreek-e-Insaaf (PTI) won eighteen new seats, however the victory was bittersweet as it failed to win majority in the 100-member Senate. The biggest setback was the failure of the PTI to get its finance minister-Abdul Hafeez Shaikh, the party's candidate elected from Islamabad. Following the shocking

defeat in senate elections Imran Khan immediately sought and won a vote of confidence in the National Assembly. Though backed by the military Imran Khan is still in a precarious situation. With the economy in dire straits and the Covid-19 pandemic aggravating the current crisis, the future is mired in uncertainties. Further, the surprise defeat of PTI's Financial Adviser in the Senate elections has emboldened the opposition parties under the umbrella of the Pakistan democratic movement (PDM) to strengthen their movement of toppling the Imran Khan's government.

### **FATF**

On 25 February 2021 FATF announced that Pakistan will continue to remain on the grey list as there are “serious deficiencies” in checking terror financing and the country lacks an effective system to deal with it. FATF has mentioned that Pakistan should continue to work on implementing the three remaining items in the 27 point action plan to address these strategically important deficiencies, namely by: (1) demonstrating that TF investigations and prosecutions target persons and entities acting on behalf or at the direction of the designated persons or entities; (2) demonstrating that TF prosecutions result in effective, proportionate and dissuasive sanctions; and (3) demonstrating effective implementation of targeted financial sanctions against all 1267 and 1373 designated terrorists, specifically those acting for or on their behalf.

In addition to the above, three major factors have likely impacted FATF's decision to keep Pakistan on its grey list. First is Pakistan's failure to take action against the UN designated terrorists like Jaish-e-Mohammed (JeM) chief Masood Azhar, Lashkar-e-Taiba (LeT) founder Hafiz Saed and LeT's operational commander Zakiur Rehman Lakhvi, Second is Pakistan decision to acquit Daniel Pearl's killer and third is Pakistan not being on good books of France as bilateral relations have deteriorated after the Prophet's cartoon controversy.

FATF has issued a strict warning by stating “As all action plan deadlines have expired, the FATF strongly urges Pakistan to swiftly complete its full action plan before June 2021”. As the FATF sword still dangles, Pakistan is under immense international pressure and it needs to compile with the global standards of anti money laundering and anti terror financing otherwise it could potentially get demoted to the blacklist.

### **Afghanistan**

With the Afghan peace process in tatters and increased levels of targeted violence, Afghanistan’s future hangs in the balance. Hence, for the Biden administration, Afghanistan remains a pressing challenge. Catalyzed by the approaching May deadline for US troop withdrawal from the Afghanistan, the Biden administration on March 7, 2021 presented a plan for the future of Afghanistan. In a letter to Afghan President Ashraf Ghani, U.S. Secretary of State Antony Blinken stated a strategy that includes both a possibility of power-sharing government between Kabul’s elected representatives and the Taliban and a recognition of the important role that regional countries should play after a withdrawal of US. forces.

The letter puts forward the following suggestions: first that the UN should convene a meeting of foreign ministers and envoys from Russia, China, Pakistan, Iran, India and the US to discuss a unified approach to supporting peace in Afghanistan. Second Blinken said he has directed US Special Representative for Afghanistan Reconciliation Zalmay Khalilzad to prepare “written proposals aimed at accelerating discussions on a negotiated settlement and ceasefire”. The proposals, he said, will be handed over to both the parties — the Afghan government and the Taliban leaders. These written proposals will lay down a “roadmap for the peace process” and it will enable both parties to “move urgently” in some critical areas such as Afghanistan’s future constitutional and governing arrangements, in the interest of a new and inclusive government. Third, Turkey has been asked to host a senior official-level meeting of both sides

in the coming weeks to finalize a peace agreement. Lastly, Blinken has pointed out that US has prepared a revised proposal for a 90-day reduction in violence, “which is intended to prevent a spring offensive by the Taliban and to coincide with USA’s diplomatic efforts to support a political settlement between the two parties.” He has asked President Ghani to “positively consider” the proposal for the reduction in violence. The letter has also made it clear that Biden is “considering the full withdrawal of USA’s forces by 1 May, as was committed in the Taliban peace deal signed under Trump”. Though the letter has given some clarity on the Biden’s strategy for the future of peace process in Afghanistan, the complexities and uncertainties remains.

As far as India is concerned, it looks forward to participate in the peace talks and remains consistent in its position regarding “Afghan owned, Afghan led and Afghan controlled” peace process.

## **Iran's Internal Political Dynamics and Foreign Policy Challenges**

Compiled by Hirak Jyoti Das

*West Asia Experts Group meeting was held virtually on 10 March 2021 by Vivekananda International Foundation. The discussion was focused on Iran's Internal Political Dynamics and Foreign Policy Challenges. The members attending and contributing were Amb. Anil Trigunayat, Amb. Prof. Kingshuk Chatterjee, Amb. D P Srivastava, Amb. Sanjay Singh, Dr. Meena Singh Roy, Dr. Arvind Gupta, Gen Ravi Sawhney (Retd), and Gp Capt Naval Jagota.*

### **Iran and the New US Regime**

The Joint Comprehensive Plan of Action (JCPOA) is highly unpopular among the hardliners in the US because it fails to address the missile programme and Islamic Revolutionary Guards Corp. (IRGC)'s regional outreach. Israel and the Gulf states at the same time are worried that lifting of sanctions after JCPOA would allow Iran to recover its economy and continue its activities to develop nuclear weapons. The window for renewing the JCPOA is vanishing for both the US and Iran. The Joe Biden administration is currently divided between groups that seek to re-enforce the nuclear deal and those that have applied a wait and watch approach and favour engaging on the nuclear issue post June 2021 election in Iran.

The Biden administration will likely preserve its pro-Israel orientation due to domestic considerations. It will however not necessarily side with Prime

Minister Benjamin Netanyahu and his regional policy. Both Iran and US could jointly come together to pursue confidence building measures. Several US experts have proposed an interim deal to provide temporary relaxation on sanctions and allow Iran to export oil and incentivise it to return to its commitments. On the missile issue, US commentators have suggested that Iran should limit its strike capacity to 2000 metres providing deterrence against its regional rivals i.e. Israel and Saudi Arabia.

### **Iran's Internal Dynamics and Economic Orientation**

In terms of Iran's domestic politics, the political constituency of President Hassan Rouhani is shrinking. Currently there are no clear frontrunners in the upcoming presidential election. The early resumption of the nuclear deal would expand the constituency for moderates. However, in case the deal is delayed, and sanctions continue, the hardships for ordinary people would increase, raising disaffection. Donald Trump administration was hoping that the maximum pressure strategy would succeed and force Iran to compromise. Iran however managed to remain afloat and it has gradually loosened its obligations on the nuclear issue. The maximum pressure strategy continues to remain popular within the US military and policy making circles. From Iran's perspective, the US deployment would decrease under Joe Biden. The Islamic Republic through its proxies would therefore manage to maintain its stronghold in the region.

To understand the political dynamics of post 1979 Iran, there is a need to study the subject from an economic perspective. For the current regime, the deliberations over the path to economic recovery remain a crucial political fault line. One section within Iran posit that the state's recovery would occur only after re-integration with the global economy and international financial institutions. The other section is however apprehensive about economic opening that may expose the Islamic republic to different kinds of pressures.

The state's economic trajectory has shaped its post-revolutionary politics.

The Islamic Republic since 1979 has been subjected to sanctions. The scope of the sanctions has gradually increased limiting the country's options of convening businesses. The Islamic republic promoted nationalisation of industries under the new revolutionary elites. These elites had no entrepreneurial expertise. It was also during this period that the economic foundation of the state was taken over by the revolutionary elites as part of the war efforts against Iraq.

After Iran-Iraq war, the economic institutions were devastated. The post-revolutionary Iran while managing to gain some level of technological capability, it lagged in few sectors including the energy sector. There has been no major technology diffusion since 1979 and the lack of upgradation of vital industries including oil has reduced its production over time. There was gradual consensus to pursue economic reforms under the tutelage of Akbar Hashmi Rafsanjani. The reforms allowed de-nationalisation of industries and members of the IRGC and armed forces took control of the new economic opportunities.

The military elite gained control over the Iranian economy and in order to sustain its position, it has resisted any prospect of economic reforms. The economic instinct of this large conservative lobby is against reforms both economic and political. The position of pro-free market conservatives has therefore gradually weakened.

### **Iranian Political Complex**

In terms of the Iranian political landscape, the definition between conservatives and reformists are blurred. The group within the political establishment that seek to conserve the institutional structures erected since 1979 and preserve the decision-making capacity of the revolutionary generation are termed as conservatives. The reformists largely seek to reform the current revolutionary order to suit the needs of the post-revolutionary society. Within the reformists, there are groups that emphasise more on economic rather than political reforms as well as those

that focus on political reforms and social emancipation to strengthen the Islamic Republic. All the conservative and reformist alliances are divided into small splinter groups. These groups participate in the elections in the form of lists. All alliances are prone to permutations and combination of different parties based on specific interests. There are no easy equations and unlikely coalitions have occurred in its political history.

The institutional complex in Iran is headed by the Supreme Leader Ayatollah Khamenei. Khamenei is however not the only powerful figure. He essentially derives his power from the universal acceptance of the clergy, military, and different groups towards his authority. Khamenei has managed to preserve the delicate balance between various political and religious groups. He is seen as biased towards the conservatives that he partnered since the revolution. He personally appoints the top leadership of IRGC and draws legitimacy in the process.

The president is the elected leader of the opposition under the unelected Supreme Leader. Notably, of the four presidents since 1989, three are reformists i.e. Akbar Hashmi Rafsanjani; Mohammad Khatami and Hassan Rouhani. The three presidents have pushed for economic reforms.

Besides the presidency, the Guardians Council is filled with conservatives and allied with the IRGC. The Assembly of Experts responsible for choosing the next Supreme Leader is currently divided between reformists and conservatives.

The Majlis is the legislative body in the Islamic Republic. It has currently dominated by conservatives. The Majlis is however split within the conservatives among those that favour opening markets and those that prefer protectionism and preservation of the culture of patronage under the military. The Majlis despite being dominated by conservatives, there is high level of support for the nuclear deal. The political voice of reformists in the Majlis has been particularly weakened due to cancellation of several reformist candidates to enter Majlis. Moreover, in terms of foreign

and economic policy achievements have little to show. Iran is currently undergoing social churning. The urban educated middle-class favours social emancipation and cultural reforms and opposes any enforcement of socially conservative values in the name of Islam.

On structural level, the Islamic Republic continue to face difficult choices. The regime while managing to educate large section of its population, has failed to generate sufficient economic opportunities for ordinary Iranians. There is also public criticism of the culture of patronage enjoyed by the military elite in the economic sphere. Therefore, any discussion on economic reforms is discouraged by the military elites. The revolutionary generation is hesitant to open the floodgate on social emancipation that could rattle not only political but economic foundations that are controlling the state. The cracks in the culture of patronage is visible and in case of failure to benefit Iranians, the system could implode.

Besides, the structural problems the issue of succession is crucial fault line that may aggravate the power struggle between revolutionary generation and post revolutionary generation. The choice of the new Supreme Leader would be critical to keep the divergent political groups united. The new leader must therefore be a man of great acceptability especially by the post revolutionary generation, Iran is at risk of political turmoil in case of selection of a divisive figure as the Supreme Leader, in case of implosion, mass upsurge and violent military crackdown is possible.

### India-EU FTA

Compiled by Dr. Himani Pant

*India's trade relations with the European Union (EU) constitute a very promising yet underutilised aspect in the India-EU partnership. To deliberate on the various issues and prospects for securing a trade deal with the EU, the Vivekananda International Foundation organised a discussion on "India-EU FTA" on 12 March, 2021. The discussion was moderated by Amb. Anil Wadhwa. The participants included distinguished members like Mr. Sanjay Chadha, Mr. Sumanta Chaudhury, Amb. P.S. Raghavan, Lt. Gen. Ravi K Sawhney (Retd), Mr. Pranav Kumar, Prof. Gulshan Sachdeva, Prof. K.P. Vijayalakshmi, Dr. Garima Mohan and Amb. TCA Rangachari.*

#### **Background**

The negotiations for a BTIA were launched in 2007 only to be suspended seven years later owing to several differences on both sides. These differences pertained to a lack of consensus over EU's demands for market access for products such automobiles, wines & spirits, dairy, movement of professionals, opening up of financial services such as banking, insurance etc. Later, the EU also demanded for inclusion of environment, labour

and government procurement etc. On its part, India had demanded for easier work and study visa norms as well as data secure status, outsourcing business to India, among others. Attempts to revive the talks have remained in limbo given the mutual reservations on both sides over the other side's demands. As the two sides met for a virtual Summit in July 2020 last year, they agreed to possibility of renewing the Bilateral Trade and Investment agreement (BTIA) negotiations and also decided to establish a High-Level Dialogue. As per recent developments, the EU has expressed an interest in securing a separate trade and investment deal with India. On its part, India would prefer a comprehensive deal but has lost a great deal on its leverage owing to its withdrawal from the Regional Comprehensive Economic Partnership (RCEP). In light of these developments, the upcoming leaders' summit in Portugal (May) would play a significant role in deciding the future trajectory of India's trade relations with the EU.

**The following observations were made by the discussants during the meeting:**

1. Post Brexit, there is a renewed interest in the EU for developing trade relations with India. At the same time, several European countries have shown interest in the Indo Pacific. It is crucial to note that for them the Indo pacific is less about security and strategy and more about the economic aspect. The whole onus is on the idea that the companies want to diversify outside of China and engage with other Indo pacific countries. In this context, developing close trade ties with India has gained prominence.

2. In lines of its Digital Connectivity Partnership with Japan, a similar deal with India is also under negotiation. This aspect is seen under the umbrella of broader economic ties with India. The partnership, once finalised, is expected to connect trade, business, people to people, and technology. Though differences exist with respect to data and tech cooperation, a discussion on the same would continue since technology is going to be the centre of the US-China competition and strategic conversation. The

EU is also looking for public private partnerships as well as some sort of investments guarantees for European countries to invest in infrastructure in India.

3. India enjoys a balanced trade relationship with the EU (over 90 billion dollars). Its major partners include Germany, France, the Netherlands, Belgium, Italy and Spain which constitute about 75 percent of the trade with EU. This trade surplus with EU is beneficial and makes for a good starting point in taking the relationship forward. For India, it is very crucial to have an understanding on the textiles sector. Sea food, bananas etc are other areas which carry great potential for enhanced engagement with the EU.

(In February 2021, India shared a scoping paper with the EU which refers to having the deal in two phases wherein less contentious issues could be dealt with tackled in first phase. It would cover goods and services, customs procedures, dispute settlement, etc. Under phase two, agricultural, investment, IPR, labour and environment issues could be taken up. While such an approach could instil confidence post the completion of phase one and contribute towards a more successful phase two, there are also some reservations. Such an approach is seen as too slow and as contributing towards a loss of leverage for India. Moreover, trade and investment agreements are seen as symbiotic. It is important to note in this context that while the EU is a single union for goods, there is a separate commitment by different states on services).

## **Conclusion**

In the current geopolitical environment of an increasingly assertive China and given that the EU has already inked a deal with China, the need for India to ink a deal with the EU is very important. A deal would also pave way for such agreements with other partners. There is a lot of enthusiasm in the EU towards working with India. This process began in 2018 when the EU brought its own strategy on India. This was a new outlook and

reflected a shift in thinking in Brussels from looking at India as ‘a partner’ to ‘a real strategic partner’ and also brought about understanding of India as an important pole in a multipolar Indo-Pacific. Going forward, trade would play a decisive role in taking the partnership forward and both sides need to overcome the differences to arrive at an understanding for mutual benefit.

Overall, there is a mutual desire to overcome the hindrances. This is crucial not only to counter China but also to counter the economic downturn brought about by Covid-19. In this context, the setting up of the High-Level Dialogue is a positive development as well as a window of opportunity. It is reflective of a mutual political will to overcome challenges of the BTIA negotiations. However, India needs to work towards explaining the concept of ‘Atmanirbhar Bharat’ to Europe and the West in general. At present, India’s calls for a better economic engagement have been overshadowed by the concept of ‘Aatmanirbhar Bharat’ which is being perceived as ‘protectionist’ by the EU. This calls for clarity regarding its design and scope as well as an understanding of how it differs from the ‘Make in India’ initiative.

# Joint Webinar Organized by the VIF and the Prospect Foundation

Compiled by Dr. Teshu Singh

*A Joint Webinar was organized by the Vivekananda International Foundation and the Prospect Foundation on 26 March 2021. Dr Arvind Gupta, Lt Gen Ravi Sawhney (Retd), Lt Gen Rakesh Sharma (Retd), Prof Srikanth Kondapalli, Amb TCA Rangachari, Amb R. Rajagopalan, Mr Santosh Pai, Dr Sanjeev Kumar and Cmde Gopal Suri attended the meeting from the Indian side. Dr I-Chung Lai, Dr Cheng-Yi Lin, Dr. Arthur S. Ding, Dr. Mumin Chen and Ms Norah Huang participated from the Prospect Foundation. Dr Arvind Gupta and Dr. I-Chung Lai delivered the introductory remarks. The discussion was divided into two sessions, the first was: India-China Relations amid the Galwan Stand-off and the second one was, China's Two Sessions: An Analysis. The salient points that emerged from the discussion follow.*

### **India-China Relations amid the Galwan Stand-off**

The relations between Indian-China has increasingly become tense in recent years. Towards this the military skirmish in the Galwan Valley area in June of 2020 has aggravated these relations further. In the preceding few years the pace of the relationship between the United States and India has been vigorously developed and especially so under the Trump administration. In this rapidly evolving situation, China prefers India to remain Non-aligned and practice its strategic autonomy without aligning

with the United States. China considers India as a crucial country in the Indo-Pacific strategy of the US and the future development of Quad and thus wants to have greater freedom of action with fewer challenging relationships.

China perceives India as moving closer to the United States and attaching more importance to Quad, in order “to counterbalance, contain and deter China.” Beijing argues that India fears that China will become the dominant force in Asia, thus acting as a catalyst in New Delhi’s growing proximity to the U.S. which has resulted in “worsened India’s relations with China and Russia.”

### **The Galwan Stand-off**

There were many unique features in the Galwan stand-off precipitated by China in which, there was military transgression simultaneously at multiple locations by the PLA. During the stand-off, for the first time in decades, there was a loss of lives of 20 Indian soldiers and (unknown number of Chinese soldiers) and firing of bullets after 1967 as well as the refusal on part of China to restore the sanctity of the agreements reached as a part of the Confidence Building Measures.

In the entire episode of the transgression, the Chinese conduct was premeditated and marked by behaviour in concert of coercive diplomacy, predatory economic policy, and technological competition and security challenges. The four trends evident during the stand-off were:

1. Chinese Nationalism: Chinese nationalism is authoritarian, assertive, aggressive and increasingly bellicose. The CPC has become all-powerful in the last 6-7 years due to the economic growth that has given it the base to assert itself on the global stage.
2. Territorial ambition: China has land dispute with ten countries and water disputes with another six countries. To satisfy its irredentist impulses it has gone back to history but that does not give China, the

right to be aggressive in the twenty-first century.

3. Belt and Road Initiative (BRI): The BRI is an attempt by China to increase its sphere of influence and to promote a world order dictated by it. Even during the COVID19, Wang Yi has been conducting meetings with the PM of Pakistan, Nepal, Myanmar and other countries.
4. Comprehensive National Power: The status of Chinese comprehensive national power remains unclear. It is ambiguous if China has reached a stage where they can abandon Deng Xiaoping's 24-characters policy.

The LAC was and is a flawed concept without any proper delineation of maps and demarcation on the ground because of China's insistent on its maximalist position of articulated in 1959. The reason the PLA withdrew from the LAC was because of the tough response from the Indian side. In the entire process, they learned the weakness of their forces. This year is also the centenary year of the CCP and Xi Jinping needs to cater to its domestic audience as well.

It may be recalled that in the first half of 1962 when Mao Zedong pulling out Chinese troops along Sino-Indian borders to beef up Chinese defence preparations in the Taiwan Strait. China today may have the capabilities of fighting on two fronts, but security correlations of Sino-Indian borders and Taiwan Strait cannot be fully discarded by Xi Jinping.

### **China's Two Sessions: An Analysis.**

The plenary sessions (March 4 - 11, 2021) of China's National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC) is famously known as the "two sessions".

The Chinese Communist Party has declared a "strategic victory" over COVID-19, the strategic victory has several caveats that still does not explain the spread of disease to the other parts of the world from Wuhan,

despite it being aware of the disease. Another issue discussed was the Chinese growth of 2.3 per cent in the previous year (2020-2021). The other area of the focus during the two sessions was on China and its poverty elevation programme; in this regard it was brought out that China is referring about extreme poverty rather than relative poverty or urban poverty. There seems to be a problem with the definition because the World Bank has indicated USD 1.9 as the baseline for calculating poverty however, China has USD 0.93 as counting the poverty figure. In 2020 NPC, Li Keqiang stated that about 600 million people have income less than USD 140, which, in turn, contradicts the Gini Coefficient in China.

The 14th Five-Year Plan and 2035 Vision Outline have come out with Future economic main barriers such as the rapid ageing society, technological bottleneck and uncertain external environment. Perhaps the solution to the barriers is the concentration of national resources to make a breakthrough on certain technology, including AI, quantum computing, IC chip, new energy, and others. More resources were allocated to basic research and development (R&D), tax incentive for R&D, strengthening national labs, and improving High-tech related management and Dual Circulation: Shifting to the domestic consumption-oriented economy while maintaining connectivity with the external world.

Amongst many issues mentioned at the 2021 NPC, two attracted wider attention and they are: a) Amendment on the Election Rule of Hong Kong Special Administration Region (HKSAR) and(b) the 14th Five-Year (2021- 2025) National Economic and Social Development Plan and Year 2035 Vision Outline.

China has severely and brutally crack-downed on the social movement in Hong Kong, arrested leading figures of the movement, removed the eligible and removed democrats from Legislative Council (LegCo) and implemented Hong Kong National Security Law (HKNSL). Decision composed of seven elements in relation to the amendment approved on March 11, 2021, at NPC:

1. To ensure patriots on the main body to govern HK.
2. To an overhaul of the election committee which is responsible for electing the governor and partial members of LegCo.
3. To overhaul the nomination process of the governor, to address LegCo number and election.
4. To set up candidate qualification review committee to review and confirm the qualifications of candidates for the Election Committee members, the Governor, and the LegCo members.
5. To authorize NPCSC to revise the two annex.
6. To authorize HKSAR to amend relevant laws under the decision and the Basic Law's Annex I and Annex II amended by the NPCSC.
7. To require the Governor to make a report to the Central Government on relevant important situations including the institutional arrangements for elections of the HKSAR and the organization of the elections.

The 2021 PLA budget has been outlined at 6.8 per cent over 2020 higher than expected GDP growth rate, it is 209 billion USD. In addition for the first time, China has made changes in its defence philosophy. The reasons for this are still been contemplated. Implication for India: China has allocated USD 29 billion for Tibet that may ultimately result in increasing India-China tension. Also, on 29 August 2020, Xi Jinping spoke at the Tibet forum which was essentially about “setting policy direction for Tibet”. Besides Wang Yi in the press conference after the session has reiterated “the rights and wrongs of what happened in the border area last year are clear”. It implies that China is not apologetic about the transgression at the LAC.

# Quad Meeting and its Implications

Compiled by Dr. Himani Pant

*The 'first-ever leader-level summit' of Australia-India-Japan-United States led Quadrilateral Dialogue (Quad) took place on March 12. To assess the potential of Quad and its implications for India, the Vivekananda International Foundation organised an interaction on March 31. The opening remarks were presented by the VIF director, Dr. Arvind Gupta. The discussion was moderated by Amb. Arun K Singh and saw in attendance distinguished participants including Amb. Kanwal Sibal, Amb. Satish Chandra, Lt Gen Ravi Sawhney (Retd), Lt Gen Anil Abuja (Retd), Vice Admiral Satish Soni (Retd), Prof. KP Vijayalaxhmi and Gp. Capt. Naval Jagota.*

### **The following points were made during the discussion:**

1. The joint statement following the Quad summit pledged to jointly respond to the “economic and health impacts of COVID-19, combat climate change, and address shared challenges, including in cyber space, critical technologies, counterterrorism, quality infrastructure investment, and humanitarian-assistance and disaster-relief as well as maritime domains”.
2. While all these decisions are relevant and indicate further

consolidation of the Group, their sustainability is a matter of concern owing to practical constraints. For instance, manufacturing as many as a billion doses of the coronavirus vaccine is a huge task and needs proper manufacturing and distribution infrastructure in place.

3. As the Quad becomes more active, it would also attract responses from other stakeholders in the Indo pacific region. ASEAN's reaction to the Quad is important- the countries do not appear to want to be in a position where they have to choose between the US and China. Another factor that needs to be borne in mind is that irrespective of how ASEAN reacts towards the Quad publicly, there are some countries in the region which are keen on having a balancing force against China.
4. The summit reaffirmed the US commitment towards Quad under a new administration. Within the US political system, both Democrats and Republicans support the Quad process. There is also a recognition in the policy community in the US, and in the White House for a need to put more emphasis on Indonesia to bring ASEAN closer to a more US directed approach in order to counter China.
5. The American interest in the Quad and joint working group to deal with critical and emerging technologies needs to be seen in tandem with the country's efforts towards a 'techno-democratic alliance'. This approach is based on the understanding that the US and the West in general is facing a major challenge from China in terms of technology, the norms of technology and the standards governing them are far more intrusive when they emerge from China and therefore democratic societies should not accept those. This calls for the democratic countries to come together for development of technology and norms and standards around such technologies. This approach has the support of the US Congress.

6. At the same time, however, the US also needs to revisit its involvement in the UN- the lacunae of its neglect in this multilateral organisation has been filled by China over the years. Beijing has several strengths and capacities which includes its work in Africa and Latin America, UNHC etc.
7. Conjectures over a possible expansion of the Quad (Quad Plus) has also gained impetus over the last one year. Some experts are of the opinion that the Quad plus countries could come together for dealing with non-traditional challenges. However, caution has to be exercised in terms of how such an expansion is perceived by smaller countries of the region. A positive perception towards the Quad would facilitate its growth and influence.
8. According to latest trends, some of the European countries like France, UK and Germany have showed an interest in Quad which indicate their belief in the potential of Quad. Their interest also adds to the symbolic heft of the Group. Participation of countries like France, in particular on select issues, could strengthen the military projections from the Quad.
9. For India, an important challenge would be to balance its participation in the Quad with its involvement in organisations dominated by Russia and China such as the SCO, RIC and BRICS etc. This factor requires more consideration given the closer Sino-Russian ties.
10. India's bilateral relations with China would essentially depend on how the latter postures itself. Delhi needs to work on building its counter capacity in the technology domain. As it engages more with the Western technologies, Indian industry needs to chart out a mechanism to deal with China in this domain. The manner in which a section of Indian industry (inevitably) engages with Chinese technology without becoming susceptible to Chinese

pressure would depend on the extent it succeeds in building a counter capacity.

Apart from building internal capacities, the country has a window of opportunity in the techno-democratic alliance which is essentially directed against China- to compete in the domain of technology. India's participation in the techno-democratic cooperation, setting standards, the new and emerging technology 5 G, quantum physics and computing, artificial intelligence, etc would give it a desired leverage against China. To set up ways for collaboration in these areas, the policymakers would need to engage the Indian industry. This requires an effective industrial policy thinking on an industrial strategy involving a public-private partnership.

11. India's relations with Russia, on the other hand, have several nuances that need better calibration. Given the Western resistance against Russia, the latter is going to remain close to China which raises complications for India-Russia ties. India needs to balance its traditional defense ties with Russia with its other Western partners as well as its engagement with the Quad. An important task for India is to suggest to the U. S to get out of the secondary sanctions' regime such as CAATSA which might affect its security interests.

Furthermore, as India builds its options to counter China, there is also a need to factor in Russian interests and policies as it faces acrimonious relationship with the West.

## **Conclusion**

Overall, the Quad has acquired momentum and has come a long way since its revival in 2017. It is now taking further root in terms of its collaborative exercises but is far from becoming an Asian NATO. The March summit was a significant landmark as it was the first leaders' level summit. An important factor that would determine the Quad's future trajectory is how the international response towards it as well as how different countries deal with Chinese pressures and counter actions that would be inevitable.

In addition, it was the new US president's first engagement with the Quad and reflected the continued relevance of the Quad under the Biden administration. It reflects that while Biden may follow a different approach than Trump, the substance of his foreign policy remains similar to the Trump administration.

Given the current geopolitical environment, in its present form, the Quad is not structured to check the Chinese adventurism but appears to be on a desirable course. Interestingly, the emphasis of the March summit on vaccines, climate, critical emerging technology in the working groups reflects an emphasis on cooperative mechanism more than the pooling of hard power. This development driven cooperative security is a fresh approach but its success remains to be seen. This is because of the inherent contradictions given that the countries cooperate with different group of countries for security, economic environmental and developmental concerns. A right mix of dealing with 'soft' and 'hard' issues would be a desirable scenario for a long-term collaboration in this respect.

## **About the VIVEKANANDA INTERNATIONAL FOUNDATION**

The Vivekananda International Foundation is an independent non-partisan institution that conducts research and analysis on domestic and international issues, and offers a platform for dialogue and conflict resolution. Some of India's leading practitioners from the fields of security, military, diplomacy, government, academia and media have come together to generate ideas and stimulate action on national security issues.

The defining feature of VIF lies in its provision of core institutional support which enables the organisation to be flexible in its approach and proactive in changing circumstances, with a long-term focus on India's strategic, developmental and civilisational interests. The VIF aims to channelise fresh insights and decades of experience harnessed from its faculty into fostering actionable ideas for the nation's stakeholders.

Since its inception, VIF has pursued quality research and scholarship and made efforts to highlight issues in governance, and strengthen national security. This is being actualised through numerous activities like seminars, round tables, interactive dialogues, Vimarsh (public discourse), conferences and briefings. The publications of VIF form lasting deliverables of VIF's aspiration to impact on the prevailing discourse on issues concerning India's national interest.



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