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Event Transcript

Indo-Pacific Currents:

Emerging Partnerships, Rivalries, and Strategic Realities across Asia

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Featuring:

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https://www.stimson.org/content/indo-pacific-currents-emerging-partnerships-rivalries-and-strategic-realities-across-asia

Sameer Lalwani: All right folks. Thank you all for joining us today. My name is Sameer Lalwani, I direct the South Asia Program here at the Stimson Center. And I just promised people on Twitter that I would open this conversation with a Christmas song mashup about the Indo-Pacific, so here it goes.

Sameer Lalwani: While the weather outside is frightful, the speakers we've assembled are quite delightful. So since you have no place to go, let it Indo, let it Indo, let it Indo-Pacific. All right, so that is to inaugurate the first event of the Asia Strategy Initiative, which is a joint effort by the Stimson Center's East Asia Program, Southeast Asia Program, and South Asia programs to provide a platform for experts from the region to speak on shifting political and strategic alignments in the Indo-Pacific. It seems to be a trend around town, and the Stimson Center has already been doing this for quite a while, and we're just formalizing what has already been an ongoing discussion with our regional programs.

Sameer Lalwani: For this reason we're happy to welcome Dr. Manoj Joshi, who is a distinguished fellow of the Observer Research Foundation in New Delhi, to shed some light on India's political/strategic priorities in the Indo-Pacific. He'll be joined by several of our program directors, Yun Sun, Yuki Tatsumi, and former deputy assistant secretary of defense Brett Lambert, who all will be introduced by my colleague Elizabeth.

Sameer Lalwani: But since I woke up this morning and braved the cold like many of you, I wanted to get a few observations in of my own before I turn it over to my colleagues. We've been thinking about this challenge of the Indo-Pacific through a number of dimensions. The first is observing that there's a general upward trend of competition in Southern Asia. And this has been a focal point of some work that the Stimson Center has been doing in partnership with *War On The Rocks*. We have this co-created series called Southern (Dis)Comfort, which is observing this rising level of competition, particularly modernization efforts by a number of countries in the Indian Ocean region: China, India, Pakistan, but also Iran, Russia, the United States, and several other partners.

Sameer Lalwani: And there seems to be tensions being fueled because of this modernization process between nuclear-armed rivals who are all preparing for uncertainty. It's a very understandable strategy that states pursue, but it seems to be intensifying the security dilemma, because a lot of states seem to think that offense has the advantage, and that defense and offense are increasingly more and more indistinguishable.

Sameer Lalwani: This becomes a world that Robert Jervis described as a doubly dangerous world of a security dilemma. And while there are some who disagree with this, including a recent piece by Srinath Raghavan, that this is not quite a security dilemma in this region, there's lots of evidence to suggest it is. So it's a trendline that I think shapes the discussion about the Indo-Pacific.

Sameer Lalwani: The second thing, I think one observation that we've noted here at the Stimson Center is that the players are a little bit different than in the past. So particularly when it comes to the United States' partners in the region in the Indo-Pacific, Indo-Pacific, the reason we've renamed this to a degree, with INDOPACOM, is that India is an increasingly important player for the United States, but it's not an ally.

Sameer Lalwani: And this poses a little bit of a challenge or a puzzle for the US. It's aligned with the United States, but not necessarily allied, and it has a lot of differences from US partners in the region. It's more of a continental power, more army-centric rather than navy-centric. It's still oriented westward rather than eastward. And it has a military that's grown in size in terms of the labor force, in terms of the numbers of personnel, but not necessarily in terms of capital acquisitions in a really robust manner.

Sameer Lalwani: And this makes for a mismatch between maybe the United States, the Japanese and Australian interests and Indian interests. And we had a speaker here earlier this summer, Air Marshal Matheswaran, who was talking about India's objectives, which are about acquiring capabilities through a long-term process of building a military-industrial base. And this sometimes might be at odds with the desire for acquisition now to deter threats now, versus over the long term.

Sameer Lalwani: The last thing that I think we've been discussing a lot at the Stimson Center is the types of competition that we're observing. The tools of competition are a little bit different. It's not just pure arms racing. There certainly is arms racing and modernization, but there are other things at play.

Sameer Lalwani: So for example we hosted T.V. Paul recently, looking at the competition between India and China and the role of “soft balancing,” or non-kinetic balancing, that's playing a role. This is competition in the economic, political, diplomatic space. And this is not a new concept. It was a very clever term coined by T.V. Paul and Robert Pape some time ago.

Sameer Lalwani: But this idea that there are other ways to balance rivals through political and economic tools was something that Steve Walt talked about 30 years

ago in his book *The Origins of Alliances*. He talks about two other strategies, bribery and penetration. And these seem to be the tools that a lot of countries are fearing China might be employing through it's Belt and Road initiative. Bribery through large-scale economic inducements and infrastructure inducements, and penetration through manipulation of the domestic politics of countries of the region.

Sameer Lalwani: And it's certainly a fear that has animated the US strategy and thinking about ways to compete with large-scale infrastructure investments. Japan is certainly thinking about the large-scale infrastructure investments as well. And so we might expect that these confrontations and competitions will take place in a less kinetic fashion, and more in the shadows, in competition in the shadows.

Sameer Lalwani: And you see these competitions emerging over the elections in the Maldives, the elections in Sri Lanka, or the dissolution of parliament in Sri Lanka. And there's clearly power plays at work here, but they're not taking place in the same conspicuous kinetic manners that we might've expected.

Sameer Lalwani: So these are just some general observations that I think will play out in the Indo-Pacific discussion. But I'm gonna turn it over to my colleague Elizabeth to introduce our colleagues on this distinguished panel. And just encourage you all, if you're gonna tweet about this, for all those Twitter handles here, to use the hashtag #StimsonNow on Twitter. And with that I'll turn it over to Elizabeth.

Elizabeth Threlkeld: Fantastic. Thanks so much, Sameer, and thank you all for joining us this morning. We're especially grateful for those of you who joined the elements to be with us her in person despite the weather. And we'd also like to welcome viewers who are joining via livestream, both from the US and also across the Indo-Pacific region.

Elizabeth Threlkeld: We're fortunate to be joined by four distinguished panelists, who will give us a sense of how they see the Indo-Pacific region evolving, and what the impact of these partnerships and rivalries that Sameer was mentioning developing there is likely to be. In terms of format, I'll introduce each of our panelists, and then turn it over to them for brief remarks before we open it up to Q&A from the audience.

Elizabeth Threlkeld: So to my far left, joining us all the way from New Delhi is Dr. Manoj Joshi. He is distinguished fellow at the Observer Research Foundation, and is a renowned journalist, editor and commentator on national and international politics. He served as political editor of the *Times of India*, editor of the *Hindustan Times*, defense editor of *India Today*, national

affairs editor of the *Mail Today*, and the Washington correspondent of the *Financial Express*. Previously he was an academic fellow at the American Studies Research Center in Hyderabad. He's also been a member of the Indian National Security Council's Advisory Board, and is the author of two books on the Kashmir issue and several papers in professional journals. Thank you for joining us Manoj.

Elizabeth Threlkeld: To my immediate left is Yun Sun, who is co-director of the East Asia Program here at the Stimson Center, and director of our China program. Her expertise is in Chinese foreign policy, US-China relations, and China's relations with neighboring countries and authoritarian regimes. Previously she was a visiting fellow at the Brookings Institution, where she focused on Chinese national security decision-making processes and China-Africa relations. Yun has also served as the International Crisis Group's Beijing-based China analyst, and has additional experience working on US-Asia relations here in Washington DC.

Elizabeth Threlkeld: To my right is Yuki Tatsumi, who is the other co-director of the East Asia program here at the Stimson Center, and she's the director of our Japan program as well. Before joining Stimson, Yuki worked as a research assistant at the Center for Strategic and International Studies just down the street, and a special assistant for political affairs at the embassy of Japan in Washington. She's the author and editor of numerous publications on defense and security in Asia. In 2012 she was awarded a letter of appreciation from the Ministry of National Policy in Japan for her contribution to advancing mutual understanding between the United States and Japan.

Elizabeth Threlkeld: And finally, to my far right is Brett Lambert who is former Deputy Assistant Secretary of Defense for Manufacturing and Industrial Base Policy. He's also a member of the Stimson Center's board of directors. From 2009 to 2013, Mr Lambert served as principal advisor to the Undersecretary of Defense for Acquisition and Sustainment on all matters related to the defense-industrial base. He was awarded both the Secretary of Defense Medal for outstanding public service, and the Secretary of Defense Medal for distinguished public service.

Elizabeth Threlkeld: He previously served as an executive-in-residence with the Renaissance Strategic Advisors and as a senior fellow at National Defense Industrial Association [NDIA]. In addition to his role on the Stimson board, Lambert is a lifetime member of CFR, a senior associate at CSIS, a board member of the Advanced Robotics Manufacturing Institute, and he serves on the Department of Defense's Reserve Forces Policy Board. In 2017 he was named to the Dean's Advisory Council for Kansas State University

Polytechnic, and in 2018 he was appointed to the Nuclear Security Working Group. From 1989 until 2007, Lambert held positions of increasing responsibility at DFI International, a national security consultancy.

Elizabeth Threlkeld: So with that, thanks again to our panelists for joining us. For the remarks, just to set the stage, we'll be moving roughly from west to east. So we'll start with Dr. Manoj Joshi, who will give us the view from Delhi on the Indo-Pacific region. And then head to Beijing, where Yun Sun will discuss how China views these developing relationships in the region, and then over to Tokyo where Yuki will give us the view from Japan. And finally to Washington, Brett will speak to how the US views the developments in the Indo-Pacific, specifically from his time at DOD.

Elizabeth Threlkeld: So with that I'll turn it over to Manoj for his thoughts.

Manoj Joshi: Thanks, Elizabeth. And thank you to the Stimson Center for having me here. I'm a bit of an agnostic on this whole issue of Indo-Pacific. Geographies are meant to be static, but politics are not, and that's why the concept of Asia-Pacific is giving way to Indo-Pacific. I remember a time when US Congressional reports used to talk of Southwest Asia. There's no Southwest Asia any more, so I look at it from that perspective.

Manoj Joshi: And what we are witnessing is how geopolitics plays out often in the mind. By renaming the region, countries like Japan and the US, they've shifted mental gears, their own as well as that of the region. So when it was just the Asia-Pacific, China loomed large. When you stretch it open and you add the Indian Ocean into it, China looks a little bit smaller because there's another big country called India there. So that's the geopolitical logic.

Manoj Joshi: Of course there are two rival issues playing out on this issue of Indo-Pacific. One is what we see, the Chinese version, China in the middle, a China-centric order, the idea of community of common destiny. Some people say it's from the *tianxia*, I'm sure that Yun Sun will tell us. You know, all under the heaven, everything's fine under a benign emperor, you know?

Manoj Joshi: And then of course there's the American and Japanese version which speaks of the free and open Indo-Pacific [FOIP]. Note that free and open are qualifiers. They're important qualifiers, and they confer on the benign geographic concept a political dimension. I'm not going to go into the Chinese dynamic, Chinese geoeconomic logic, how they're working it out, to the BRI. And now we see that why it becomes important for India is

because of where India is located. So we are located, because the Chinese economic dynamism is now taking them to the Indian Ocean, South Asia. India is there, and we face competition in South Asia itself and the Indian Ocean region. So India comes into that picture.

Manoj Joshi: You of course see rival notions, when you see these rival notions, we've just seen the op-ed by Vice President Pence FOIP. This means the Americans have also finally gotten their act together and are actually putting up serious money, $60 billion in this Build Act, and trying to join the Japanese. The Japanese have been active in this, in the quality infrastructure. So you have real competition going on, the geoeconomic competition, which is also layering the geopolitical one.

Manoj Joshi: The Europeans have also gotten their act together, they say now there is something called the European Connectivity Project, which was announced in September I think. Now along with this come the political architectures, the military architectures. For the present both in the Pacific as well as Indian, the US navy is by far the strongest force.

Manoj Joshi: In East Asia, we have three security visions. We have one of the US hub-and-spoke system. US-ROK, US-Republic of China, US-Australia, US-Japan. And the effort has been now to link them with each other. And which Ashton Carter talked about principled security networks. So networking rather than alliance-building seems to be the order.

Manoj Joshi: Then there is the trilateral, India-Japan-Australia, India-US-Japan dialogues, the Malabar Exercises, the Quad grouping, the US-Australia-Japan-India kind of framework. But these are all in prototype really. I call them prototype security architectures. They're not really up there. Chinese strategic experts often dismiss this and they say that they are really aimed at China.

Manoj Joshi: With China not having friends and allies in the US style, barring North Korea and Pakistan maybe, the focus of the Chinese security architecture is really in Eurasia, where you have the Shanghai Cooperation Organization [SCO] and the Conference on Interaction and Confidence Building in Asia [CICA] as emerging groupings.

Manoj Joshi: What is interesting was the January 2017 white paper on Asia-Pacific by the Chinese, where they very bluntly brought out what they meant. "Major countries," I'm quoting, "should treat the strategic intentions of others in an objective and rational manner, reject Cold War mentality." These are major countries.

Manoj Joshi: As far as your small countries, small and medium-sized countries need not and should not take sides with a big country. So it's a very clear, distinct, often hierarchical political order. Small countries stay out of the way, major countries, of course we should trust each other, etc.

Manoj Joshi: As far as India is concerned, you know that Prime Minister Modi spoke from the shores of Africa to that of the Americas. And he seemed to give a geographic gloss to it. But if you read down in his speech, he also pressed the other buttons. He spoke of equal access to the region under international law, use of common spaces on the sea and the air, freedom of navigation, peaceful settlements to disputes. All these buttons were also pressed.

Manoj Joshi: In keeping with its cautious approach, India has moved slowly and deliberately. And you know that I'm not going to list the Indian activities from the creation of the Indian Ocean Regional Association, the Indian Ocean Symposium, the trilateral exercises, the bilateral exercises quite fascinating. Myanmar, we've had bilateral exercises with. First of all we've had whole-ASEAN kind of exercises, then we have bilateral exercises with Indonesia, with Singapore, Malaysia, Thailand, Vietnam, etc.

Manoj Joshi: And then of course you have the Quad. Now this Quad has come up, but as I explained earlier, this is still a prototype. It's a prototype security order. We've had three meetings, and in three meetings I understood that there were four separate press releases after the meeting. So people were a bit cautious on that. It's in a nascent stage.

Manoj Joshi: When we look at the Indian perspective, we need to understand that India is both a continental power and a maritime power. And the security orders and architectures often discussed under the rubric of Indo-Pacific, they kind of ignore India's continental dimension, that India has continental interests. And of course its primary interests are in the Indian Ocean.

Manoj Joshi: And as I said, when we look at this, there's no point just looking at the maritime dimension, you need to look at the whole Eurasian dimension out there. So there we see that the United States hasn't really put up anything. The Chinese have put up the SCO, they've put up the CICA. They talk about this, but again these are in a very nascent stage.

Manoj Joshi: Now, to sum up, I think the Indo-Pacific notion will not work unless India buys into it. But there is an Indian angle that needs to be fleshed out. See as of now, it would appear that the US has invoked it to bring Indian military capacities into the Pacific. But India has a biding, if not

overwhelming, interest in the Indian Ocean. Especially the western part, where it has large diasporas, and from where it gets a significant portion of its energy reserves. If you really look at most important place on earth for India, is the northern Arabian Sea. And that is a fact.

Manoj Joshi: And also in addition to that, the Indians have, as a nation, have certain Eurasian calculations. Now the point is we are blocked on one side by Pakistan. And so we work through Iran, we work through Russia etc. these are important parts of our perspective as a nation. We cannot ignore the Eurasian dimension.

Manoj Joshi: And I think unless we look at these combinations, we know that the United States moved very far, they created the Indo-Pacific Command, they renamed the command as the Indo-Pacific Command, but the command is still to stretch its way out to eastern Africa. And that will really make a difference. Because right now, we have zero conversation with the US Central Command and the US African Command. And those happen to be in the most important area of India's interest.

Manoj Joshi: I'll just conclude here, and we can take up things subsequently.

Elizabeth Threlkeld: Fantastic, thanks so much, Manoj, for those thoughts. I'm sure we'll want to follow up more on Q&A. Yun?

Yun Sun: Thank you, Elizabeth, thank you for having me on this panel. I'll focus on China. And thank you very much, Manoj, for mentioning my analysis on the Chinese hegemonic stabilities, the pursuit of *tianxia* system.

Yun Sun: I think just to begin with, I think the Chinese, if we look at the paradigm, I think the difference between the Chinese paradigm and the US paradigm coming to the Asia-Pacific, is different visions for the regional security order, or the regional strategic outlook. Dr. Mike Ring argues that US focus, or the US parity in the Asia-Pacific region is not necessarily hegemonic stability, it's a balance of power system that's aimed at the prevention of the emergence of a Eurasian power that could deny the United States the access and playing a role here in this region, which forms a pretty sharp contrast to the Chinese vision for the region looks like. Xi Jinping has made it quite clear that China's vision is community of common destiny, which sounds like propaganda. But if you look at the Chinese political culture and the strategic concept, that when China looks at the world, the concept of Middle Kingdom, Beijing and China being the center of this hierarchy, this hierarchical system, is quite central to this concept.

Yun Sun: And I'm sure everyone knows that the Chinese perception of the domestic order and the international order is very much focused on hierarchy. So the world is harmonious not because everyone is created equal, but because there is a strictly defined and strictly implemented hierarchy, that each country fits in the system according to the material security and the moral benevolence, or the moral confidence of each actor.

Yun Sun: That's pretty much the Chinese version of hegemonic stability theory. Although they have very different moral codes, for example definition of what constitutes the rules, or what constitutes the norms of the system. So I think that's the underlying competition between these two very different visions for the future of the region.

Yun Sun: And then coming to the issue of how China views the Indo-Pacific strategy. I think for a very long time the Chinese ... I should first start by saying that the Chinese policy community has devoted quite a significant amount of resources and attention looking into what the Indo-Pacific strategy really means, and what that really includes. And what is different from the previous, for example, rebalancing to Asia, or the previous US policy towards the reason.

Yun Sun: And the substantive differences that they identify is mostly focused on India. Because when they look at, for example, the US-Japan alliance, or the US-Japan-Australia trilateral cooperation, those have been there, even predates the Trump administration. And when they look at the economic aspect of the Indo-Pacific strategy, well yes there's a commitment of $60 billion, and in the summer there was a commitment of USD $113 or 130 million in terms of the infrastructure. But that's really not comparable to what the Chinese economic resources that have been thrown into the region.

Yun Sun: So I think when the Chinese look at the Indo-Pacific strategy, their essential question is, what is different, and what is substantive, and what is substantial? So when they look at the ... Okay, well there is the tendency in China to equalize, to equate Indo-Pacific strategy with the Quad. So they look very specifically at China's relationship with the four countries. And draw conclusions that Indo-Pacific is still very much a US-China problem. It's a US-centric problem.

Yun Sun: Because when they look at, for example, they look at Japan, China's relationship with Japan this year, starting from 2017, has improved significantly. Starting from summer of last year, what the Chinese have identified is a very intentional attempt from Tokyo to send goodwill

signals to Beijing about Japan's willingness to participate in the Belt and Road initiative, about the potential of cooperation with China, which led to the Chinese premier, Li Keqiang's visit to Japan earlier this year. And then the October visit of China by Prime Minister Abe, which was unthinkable basically two years ago.

Yun Sun: So what they call the renormalization of Sino-Japanese relations, in the Chinese perspective has very much been fostered or cultivated by the Trump administration's policy towards the region. And the Chinese identified a Japanese tendency to hedge, because of the uncertainty associated with Trump's trade policy, for example, towards Japan.

Yun Sun: So the Chinese don't believe that Japan's long-term goal has changed. Or the long-term regional competition between Japan and China has changed. But they do identify that at least at this current moment, or in the immediate future, the Sino-Japanese relationship will be on the positive trajectory compared to what has happened in the past seven years.

Yun Sun: And then when China looks at India, of course last year there was the Doklam standoff, that many people believed it should be the beginning of the deterioration of China's relationship with India. There I think the Chinese concern about India's external alignment choices, and how that is going to affect China's goal and China's role in the region, has played a significant role in shepherding or shaping China's reaction, or China's policy towards India after the Doklam standoff.

Yun Sun: What we have seen is a deliberate attempt, and significant efforts on China's part, to repair that bilateral relationship with India. And this past April, when Prime Minister Modi visited China, had very good meetings with President Xi in Wuhan, what the Chinese was reassured, what the Chinese believed that they are reassured of, is that India will continue to pursue strategic autonomy. And India will also pursue balanced foreign relations with all powers, including Russian and including arms sales from Russia.

Yun Sun: So there is evidence that the Chinese have identified that it's not going to foster a India-US alliance. Although I have to say that that's China's primary concern coming to India's goal and India's roles.

Yun Sun: And then last but not least, Australia. So the China-Australia relationship is probably the worst. Well maybe China's relationship with the US is worse in 2018. But China's relationship with Australia is not that positive. So Australia has demonstrated significant concern about China's interference, literal interference, in Australia's domestic politics. And the

concern about how the tech companies from China are trying to sneak in, to infiltrate into certain indirect control of Australia's key infrastructure. Reflecting, for example, in the most recent Australian government ban for Huawei and ZTE to participate in the 5G infrastructure development in Australia.

Yun Sun: So that's where China and Australia sit. But when China looks at the relationship with Australia, they look at the trade numbers, they look at economic interdependence. And they, based on the fact that China is Australia's largest trading partner, and the size of the bilateral trade is as high as USD $170 billion. Which is pretty much three times bigger than Australia's trade with the United States. US is second-largest trading partner of Australia. So when the Chinese look at the pure and the sheer size of that economic relationship, they have some level of confidence that Australia will not be able to turn its back completely against China like the United States is trying to do.

Yun Sun: So there's some concerns, but there are also some factors that foster confidence in China. So that is to say that when China looks at the Indo-Pacific strategy, at least in 2018, the top priority ... Okay, when Chia looks at Indo-Pacific strategy, there is a sense of urgency, and a sense of direct and immediate challenge to China's core national interest, is not comparable to what the Trump administration's China policy has created this year.

Yun Sun: So when the Chinese prioritize their reaction and their policy response, the most important issue is how to deal with the Trump administration. So that's a US-China relations issue, it's not an Indo-Pacific strategy issue. So based on that, we see very little, for example, direct reference to Indo-Pacific strategy from public Chinese government statements. It's almost as if there's one argument in China that we, we being China, should not in the government's public statements pay too much attention, or should not talk too much about the Indo-Pacific strategy. Because that strategy in the Chinese perception is not totally there yet. And if the Chinese reacted to it too much, then it's going to substantiate a strategy that was not fully substantiated to begin with.

Yun Sun: So I would say that the Chinese observation of the Indo-Pacific strategy is keen, and they are observing what other substance will be put into the strategy. But currently the focus is very much on US-China relations.

Elizabeth Threlkeld: Thank you. Thank you so much, Yun, that was a really helpful tour of how China sees the wider region. Next we'll go to Yuki for Japan's views on this issue.

Yuki Tatsumi: Thanks, Elizabeth. And thank you everyone for braving the cold. And I actually was one of those people who were driving into work paying attention to all the school closing changing. Because a lot of school districts around here started from two hour delay to total close. So I was ready to turn around when I have to. But thankfully, one of the benefits of having your child in a smaller school where it makes independent decision, you get to school on time, and people stay at school as scheduled.

Brett Lambert: Although it may not be open.

Yuki Tatsumi: So my primary task is to talk about how Japan looks at this whole Indo-Pacific region conceptualization of the geostrategic environment. But I think I would also like to touch on a little bit of Australia. And then also, one country that's a key ally of the United States, but often doesn't come up in this conversation, which is Republic of Korea.

Yuki Tatsumi: So from a Japanese perspective, if you ask Prime Minister Abe about this Indo-Pacific strategy, his answer to you will probably be, "Oh I've been thinking about this for the last 10 years, 12 years." And in fact, one of the bilateral relationships he invested most when he was Prime Minister first time around, 2006 through 2007, is Japan's relationship with India. And another set of bilateral relationships he invested in was with Australia.

Yuki Tatsumi: So that trend actually does continue. And Japan-India and Japan-Australia relationship actually has had pretty much bipartisan support, so it kind of weathered that three-year hiatus of regime change, ruling party change in Japan. Those two sets of bilateral relationship has really moved steadily along. Although it didn't attract too much attention.

Yuki Tatsumi: And it really picked up and revitalized when Abe came back into the office. And one of the first articulations that he did. My mic is not working. So one of the very first thing that Abe did, after he came back into the office, is ...

Yuki Tatsumi: So it was one of the first things that Abe did was to contribute the commentary to one of the English media outlets, talked about Asia's democratic security diamond. And he talked about the constellation of Japan, US, Australia and India. And then when he came to Washington DC in February 2013, in the public speech that he did at CSIS down the street. And we cannot forget it, huh? Maybe next time.

Yuki Tatsumi: He talked of the confluence of two seas. And talked about how Japan's interest, and also peace and stability, prosperity of Pacific Ocean is inseparable from that of Indian Ocean. So it is obvious that he has continued to think about this constellation for quite a long time. And since his most recent time around, Japan and India and Japan and Australia, actually those are the two really important bilateral security relationships for Japan. To the degree that they are probably, aside from the US-Japan alliance, which is a formal treaty alliance, it's the most institutionalized security partnership that Japan has, is with India and Australia.

Yuki Tatsumi: They have all the foundational elements. Most of the foundational elements that Japan already has with the United States, including an information security agreement, acquisition and cross service agreement, and also the bilateral agreement on the transfer and joint development of defense equipment.

Yuki Tatsumi: And those are the really key components that Japan also has had with the United States for a long time. So it's almost like the only missing component of these relationships that Japan has with India and Australia is really the mutual security treaty. And you're kind of there. But will it ever get there?

Yuki Tatsumi: With Australia, the jury is I think still out a little bit. But then with India, just for the reason that Manoj articulated, it can be as close as the institutional security partnership, but then I think it will stop really just short of formal alliance, is my guess. But Abe's move since 2012, he came into the office looking at Obama administration quite distracted in the developments in the Middle East. And although the administration back then talked about Asia-Pacific rebalance, and how to transfer some of the strategic asset away from the Atlantic to the Asia-Pacific, at least from Tokyo's vantage point, they really didn't feel like that meat was in it with the work. So there's like a where's the beef question.

Yuki Tatsumi: And I think that concern about the durability of US engagement in the region, and the staying power of the US in the region, to play a leading role in sustaining the international order in this wider region, has been the key driver for certainly Japan's decisions on investing more in its relationship with India and Australia. But try to network those relationships and use it as a vehicle to make sure that US stays engaged.

Yuki Tatsumi: So under Abe, Japan really did invest a lot of time and energy, and they still do, in US-Japan-Australia constellation, US-Japan-India constellation, and Japan-India-Australia conversation has started happening, and the

emergence of the concept of Quad. And actually that is kind of in line with where Australia is heading, and had been heading for the last couple of years also. That Japan and Australia really see eye to eye in terms of the strategic environment, even more so now that Australia is, at least at the political and the defense world, the perception of China has come much much closer to how Japan has been seeing China.

Yuki Tatsumi: So they're at the northern edge of Indo-Pacific, and Japan sees Australia as really holding down the fort at the South Pacific area. And it looks at India as the westward power, that kind of counterbalance. So the only major power that Japan has to really make sure to stay engaged is the United States. Which now under this current administration is a bigger uncertain factor.

Yuki Tatsumi: Because from a Japanese perspective, I think most of the US allies in the region would share this view, is that this administration's approach towards the region is quite schizophrenic. On one end of the mouth they talk about stronger alliance, doubling down on a commitment to its allies. But on the other end of the mouth, the trade approach is quite bilateral, quite divisive. Pulling out of the TPP was a major, major blow for a Japanese agenda. So they're still trying to figure out and navigate how this administration responds to certain things.

Yuki Tatsumi: So they're going back to the basic instinct of what they know, is you just need to hug tighter with the United States. But, they clearly see it that it's just not enough to hug the US tighter. Japan has to hug other security partners of the US tighter also. And that's I think probably the organizing principle of the Japanese policy under the Abe administration.

Yuki Tatsumi: And then I think Japan and Australia, like I said, shared a very similar worldview. It's certainly not identical, because of the geographic location. And I think Australia in a certain sense sees more Chinese economic influence in their neighborhood, in terms of Pacific islands, New Zealand, certainly in their own country. And it’s kind of finally realized, something happened and one day they woke up and there's all this Chinese investment all over the place around them, and that comes with a significant political influence in the region as well.

Yuki Tatsumi: So that's Australia. So one player that's missing in this constellation is the Republic of Korea. And although my primary interest is in Japan, I'm actually a little bit concerned about the state of the US-ROK alliance at the moment, for two primary reasons. Over North Korea, Washington and Seoul seem to be at a very different place, in terms of how they see things, how they see Kim Jong Un's intentions, and where they want it to go.

Yuki Tatsumi: And not only that, but certainly from Washington's vantage point, to respond to North Korea effectively, it is imperative that the US, Seoul, and Japan are more or less in alignment in terms of approaches. And the approaches that are coming out of Seoul vis-a-vis Tokyo are utterly counterproductive in that regard.

Yuki Tatsumi: And also this current administration in Seoul's desire to really engage North Korea, and really bring it to reunification, move along the reunification talk, really ends up being ROK suggesting things that are really not helpful for the US security interests in northeast Asia at the moment, including [inaudible] transfer is an old story, but the also how this president at the end of the day will see the ultimate shape and size of the US force presence on the peninsula.

Yuki Tatsumi: So I see a lot of critical areas in the security, that Washington and Seoul are kind of out of step at the moment. So that's why I'm concerned about it, because Republic of Korea, minus the North Korea situation, is also a critical partner in the Pacific security constellation. But then there are a lot of people in town that know more about Korea than me, so I'll leave that up to them to assess that situation, but I'll just throw that out as an additional set of concerns that I've been having as I observe the situation. And then I'll punt to Brett to wrap it up.

Brett Lambert: All right. So I was asked to talk a little bit about industrial relationship, from the national security perspective, between the US and India. And I'm a glass half full guy. So you're dealing with two of the world's largest democracies. Now with the glass un-half full, you're also dealing with two of the world's largest bureaucracies.

Brett Lambert: So to change behavior and cooperation which affects policy, let's be clear, you start with a policy of engagement with the nation. And in the Bush administration I give them great credit for beginning that dialogue, after a really frosty few decades of relationships. And I was privileged enough to go to university at JNU in the '80s, on a Rotary Scholarship, and Americans were not all that welcome there at that point in time.

Brett Lambert: But over the years and over the decades, everyone knows and understands that that has changed. And part of that is just the maturing of the relationship, the maturing of the leaderships on both sides. To the point where now I think, and with the change in the phrases we use in the Pacific, that there's a much clearer understanding of the need for ... understanding of the need for greater cooperation between the two parties

for their self-interest. Our self-interest in the United States, and India's self-interest.

Brett Lambert: Now that takes a long time to mature. It has, I believe, at the policy level. It then has to go through the bureaucratic layer. And that has been a challenge. And the Obama administration I believe continued the progress that the Bush administration had made in helping make it easier, not just for diplomatic discussions, but for commercial transactions, commercial agreements. And we've seen a lot of the investment going back and forth in the commercial world. We've also seen a break in the aerospace and defense market as well over the last few years.

Brett Lambert: Moving from the historic reliance that India had on a single provider to a more diversified view of what types of systems and equipment to meet their own security needs, and also to meet, frankly, their political needs, did they need to obtain. Understandably, India wants to ... They have an incredible, talented, high-tech workforce. It's a low-wage workforce. So on the face of it there would seem to be a lot of opportunities for US companies in particular to manufacture there, to co-manufacture, to produce the products that the Indian government needs for their self-defense and their regional protection.

Brett Lambert: The bureaucratic issues involved in those transfers, in those sales, in those co-production agreements are momentous. And the only thing that really dampens the bureaucrats on both sides down is a consistent level of policy, and we've been fortunate to have that in this administration as well. There have been 11 significant agreements that have been signed, just in the last five years. Notably the agreements on DTTI and the STA1, efforts which will treat India as a trusted receiver of information and work out the security agreements and relationships that we need in order for US providers to provide equipment, and actually to localize some aspects of that development and creation.

Brett Lambert: So all of this should be seen, there's not a single event, I believe, in this relationship, that's going to change overnight. You have to look at it as a very systematic, over time, are we moving in the right direction. And despite the fits and starts of some political comments, I believe what's happening and what we're seeing is the relationship maturing at the bureaucratic level. And at the bureaucratic level, when you have more even behavior at the bureaucratic level, that's when you see industry willing to step in.

Brett Lambert: Industry can be a very important caulk, if you will, to cement the blocks of policy. Because when industries begin to cooperate, whether it's in

co-production, or in technology transfer, or in training, that makes it much more difficult for the political spikes to take hold.

Brett Lambert: And so where I would have been quite negative on the possibilities of US-to-India cooperation 10 years ago, when I was in the first term of the Obama administration, Dr. Carter made this a priority. So we broke down a lot of our barriers, to both transfer and cooperation by sheer force, political will. The Indian government at the time was doing the same thing on their side.

Brett Lambert: And it led to small advances. A lot of effort, a lot of work went into it. But we had small victories. We had a few setbacks, but for the most part it was a very positive experience. With the new administration in, I believe what you're seeing is the political rhetoric does not have the same effect that it may have had if we had not laid that foundational layer of agreements. Now it does have an effect, it does cause pause, but US companies are more inclined now than they were last year, and they were more inclined last year than two years ago, to actively engage with Indian counterparts, and with the government of India, to form relationships.

Brett Lambert: Now stepping back from that, I think everyone has to go in with their eyes wide open. Both the internal politics of India, and their history of reliance on a single source, should not be view in the US as, "Oh now it's just going to be US." There are reasons, and they're logical reasons, and they're frankly good reasons, why the Indian government wants to diversify its portfolio of national security equipment, why it wants a range of offerings, and why it wants as much domestic content and capability as it can obtain.

Brett Lambert: As long as you, from an industrial perspective, go into those relationships understanding that context, and understanding there are gonna be bumps in the road, and there will be times when, in the self-interest of the Indian government, they may make decisions, procurement decisions, acquisition decisions, that we view, if we look at it myopically in our lenses, as "Why would they do that? They're buying from our enemies," if you read the National Defense Strategy [NDS]. You have to understand it in the context of where the government of India is trying to achieve self-sufficiency and non-reliance on a single actor.

Brett Lambert: If you understand that, and you're willing to participate in the framework that's been developed, whether it's through the Defense Technology Trade Initiative [DTTI], the Strategic Trade Authorization [STA] and all the other agreements we've been able to sign in the last few years with India, then that's a context that really can start to solidify the relationship in a way that will be lasting, and will outlast the political leaders on both sides.

Right now there's great alignment, we don't know if that will happen at the political level in the future, but I do believe industry has an important role to play to help cement those relationships. Toward a common purpose, which is in the United States interests in the Indo-Pacific region, in India's interests to protect its borders and deal with its historic threats.

Brett Lambert: I think industry has an important role, and I think we're actually on a very good trajectory. And a lot of this is happening way under the currents. It doesn't make news. The delegations that are going over from the Department of Defense that are meeting with the Indian leaderships, and vice versa, the mil-to-mil relationships that have really matured over the last decade. Those are all having an effect that I think is very positive for the future of cooperation between the two countries.

Elizabeth Threlkeld: Fantastic, thanks so much Brett. Before I turn things over to the audience for questions, I wanted to follow up on one. This is obviously a big week for the Indo-Pacific region, with the back-to-back Association of Southeast Asian Nations [ASEAN] and Asia-Pacific Economic Cooperation [APEC] summits that we're seeing. And I'd be curious to get your thoughts on any key outcomes or deliverables, agreements or indeed lack thereof that you'll be watching out for in the headlines this week, so we can get a sense of where the Indo-Pacific region might be going, at least in the short to medium term.

Manoj Joshi: Recently Prime Minister Modi went to Tokyo, and he had discussions with the Japanese. There were two, again, I think what Brett spoke of, below-the-radar kind of stuff. There was an agreement on maritime domain awareness. And there was one on what's called cross access of bases.

Manoj Joshi: Now the Indo-Japanese relationship, the security relationship as someone said, is a mile wide and an inch thick. A lot more needs to be done in that, and there are problems on both sides. In the sense Japan is only...there's a history in Japan, there's a strong set of public opinion in Japan which is against the idea of Japan playing a huge security role. And I for one, trying to be provocative, have often told the Japanese, "Look, the Americans don't talk to us in the North Arabian Sea, you are dependent on oil which goes through there. Why don't we collaborate, for example, on sea lane security in that area?"

Manoj Joshi: Meaning stuff coming out of Hormuz, and all the way down to the Malacca. That's a good area, we do a lot of cooperation with the Japanese Coast Guard, for example, we have coast guard to coast guard, we also have maritime stuff. But what I'm trying to say is, that we need to get out

of that inch-thick syndrome and try to develop some depth. And I think if the Japanese are serious about sea lane security, because if you look at historical trends, how long will the US provide security for that region? US no longer dependent on oil from that region. So there are areas, I'm not saying it's going to happen in a dramatic kind of way, but you could focus on certain areas, certain identified areas, on the maritime security.

Manoj Joshi: We are going great guns on the economic side, by the way. In the sense that we're doing stuff together in Bangladesh and Sri Lanka, Myanmar, and huge potential the Asia-Africa growth corridor. So the economic element I think is fairly well laid out, and it's basically got to be worked upon. And Japan is a huge investor in India. When we look at Belt and Road, we often don't realize, Japan is helping us build a corridor from Delhi to Mumbai. And building various other corridors, trying to make a high-speed train network.

Manoj Joshi: So if you just look at that, in its own way, because the challenge for India is that if we go out of our country and build bridges and stadiums in third countries, the people of India will say, "Hey, we've got a huge problem back home. You're gonna build a bridge in Mozambique, but we need several of them here." So India can't be in that kind of a role. It has to therefore rework the selective partnerships.

Manoj Joshi: And I must say that the Chinese-Japanese thing now is quite intriguing, that the Japanese and the Chinese are going to collaborate in 50 infrastructure projects. This could be a model, in fact, where India could collaborate in a kind of a non-confrontation. We're committed to collaborating in Afghanistan on a third-party project, but we could maybe identify some other countries as well.

Manoj Joshi: But insofar as the security part of it is concerned, there are gaps. The primary gap relates to the northern Arabian Sea and the western Indian Ocean. And I think the Indian challenge is we often collaborate with countries like France, who have commitments there, and Japan I think is an obvious case.

Yun Sun: I think for the recent events in the region, on the multilateral front, I don't think China was particularly successful. Li Keqiang made a push for Regional Cooperation Economic Partnership [RCEP], but RCEP is--I'll just say the negotiation process is much more complicated than the Chinese originally expected it to be. And the completion is not within sight in the near future.

Yun Sun: And the negotiation between China and ASEAN on the conduct in the South China Sea, now Li Keqiang made a promise that hopefully it will be concluded in three years. But I think there is a lack of momentum on China's part to push for a binding COC that is going to have the real strength that's required.

Yun Sun: I think what the Chinese are more focused on currently is bilateral diplomacy, in the region and with the United States. So Xi Jinping is visiting three countries, Papua New Guinea, Brunei and Philippines. He's expected to announce quite a list of packet deals with Duterte in Philippine. And then between US and China, I think the negotiation about what a potential trade deal could look like, or could include, is intensively ongoing. And based on the most recent information, it seems that the Chinese are willing to address the market access issue, and of course they have made the commitment that they are willing to address the trade deficit issue.

Yun Sun: But coming to the industrial policy, or the structural reforms that's required, the content is still pretty thin. So I would say that from the Chinese perspective, their focus is a later Xi-Trump summit later this month in Argentina. So regional diplomacy, yes it's important. I think that the Chinese attention is really focused on the Xi-Trump summit.

Yuki Tatsumi: I think from a Japanese perspective, and probably to a degree it's shared by other security partners that we have in the region, but I think those countries are still waiting to see the actual coherent vision, US vision, of what they think about free and open Indo-Pacific. What are the main pillars, what are the hallmark initiatives?

Yuki Tatsumi: I mean we have been seeing bits and pieces, like Build Act, Sec-Def Mattis's speech at Shangri La Dialogue on the pol-mil element of it. But then when it comes to the more overarching strategic vision that this administration has, I think a lot of us are still waiting. And then I think whether Vice President Pence can provide that I think will be something that we all are going to watch.

Yuki Tatsumi: From Japanese perspective, Vice President Pence has already stopped at Tokyo. Their major concern right now is how their bilateral trade talk is going to go. Whether it really is going to start resembling something that Japan had with the United States back in the '80s, the structure impediment talk. And if that's looking that way, it really doesn't look good for Japan, and actually the bilateral relationship.

Yuki Tatsumi: Because that was such a toxic environment that the two countries had, and I don't think anyone in Tokyo certainly wants to go back to that. And I would argue the vast majority of us here in Washington don't want to go back to those days. So how that turns out, but then that's more of a bilateral issue.

Yuki Tatsumi: So in terms of region, I think we're still waiting to hear what Vice President Pence will say. And I would just say one thing about the Japan-India security ties, and I very much agree with Joshi about mile wide and inch thick, and I would say the same thing about the Quad. It's two miles wide and half an inch thick, almost, if I borrow your logic.

Yuki Tatsumi: Even in the Quad, but certainly between India and Japan, I think all the low-hanging fruits, whether that's in the form of a formal agreement, talk about future-looking initiatives, those are all picked. So now I think Prime Minister Abe has done a marvelous job selling those packages as a strategic initiative, but I think he has not been as successful to sell that exact package to the Japanese population. That there's a great hesitance. I think they're more comfortable about Japan projecting its own power within the closer vicinity of their neighborhood, which kind of stops at Northeast Asia-ish. And anything west of Southeast Asia, there's still a great hesitance of Japanese public to see Japan projecting any kind of kinetic military asset beyond that invisible line.

Yuki Tatsumi: So whether Prime Minister Abe can sell that also to the Japanese public, how that's really actually in the strategic interests of Japan as they look into the future, in his remaining time in office, which is about another three years or so, I think that that would be one thing that I will probably be paying close attention to.

Brett Lambert: Well industry hates uncertainty. So I think the most that industry on both sides, both in India and in the United States, are hoping for out of this are no surprises, just more consistent growth. So industry, whether it's half an inch thick or an inch thick, industry tends to cling to the edges, where they know it's the thickest it is. And they'll slowly start walking across as they gain more confidence.

Brett Lambert: And we have some of the major defense industry players already, what I would say doubling down in India. Opening offices, starting to have dialog with the acquisition executives there, in cooperation with our US government. So they're hugging the edges. They would like it to be a couple more inches thick, and anything that comes out of these dialogues that may indicate a fracture or a concern is certainly probably going to

have a negative effect on the willingness to engage in the access of not just the technology relationship, but the capital relationship between the two countries.

Brett Lambert: So I'm hopeful that that will not happen. Again, as that ice gets more thick through this sustained dialogue happening really at the bureaucratic level, then these kind of events, no matter what spike you might have, or what tweet somebody may send, it'll make it much more difficult to shatter the underlying cooperation. So I'm hopeful that we're directionally moving correctly.

Elizabeth Threlkeld: Great, thank you all so much. I think we will open it up to questions from the audience. Just a couple of housekeeping notes. Please wait until the microphones come around so the viewers on our livestream can hear you, and do remember to identify yourself for our panel. And also try to keep your questions brief. So we'll take a few at a time so we can get as many as possible in. Questions?

David: David Sedney with CSIS and a former deputy assistant secretary of defense for East Asia, as well as Central Asia. I have a quick comment, the comment is, there's been a lot of talk about what Washington wants and what American policy is, and talk about the questions caused by what is seen as the erraticism of President Trump.

David: I would urge the panel to maybe take a look at a broader sweep of American history in the last 20 or 30 years where there has been a swing back and forth on the issues. Whether it's relationship to India, relationship to China. I was in the Bush administration in 2007-2008, when we were talking about pushing the Quad, strengthening relations with India, all these things now. That stopped during the Obama administration, although there was progress on defense trade, that emphasis on the quad and essentially the pushback on China which has been revived now.

David: I think Joshi made a great comment about the lack of coordination on the US side. The US talks about Indo-Pacific, I'd urge everybody to take a look at, this is the map of divisions of the Indian Ocean, of the US commands, and you'll see that what we used to call PACOM has a big chunk of it, AFRICOM has a chunk of it, and CENTCOM has a big chunk of it going south from Pakistan. So that kind of lack of coordination on the US side is something people should take not of.

David: And in fact you're paying attention to Vice President Pence, well Pence is there but Trump is not. To me that's the biggest signal in terms of what's happening in terms of the US and the ASEAN and APEC meetings. Vice

President Pence, as important as he is, he's not the president. And just as President Obama often skipped these meetings, the fact that President Trump is skipping this meeting I think says something about the US focus on this region.

David: I do have a question, I apologize for going a little long on that. The question is really for Mr Joshi. As Yun Sun said, the Chinese I think are banking very heavily that the strain in Indian policy of strategic autonomy will prevail over alliances and partnerships, and that basic dichotomy between what I would call perhaps Hindu nationalism and the Nehru vision of strategic autonomy does not seem to be decided in the Indian polity right now, so I'd really welcome your thoughts on that longer-term direction.

David: Is India going to go it alone with the strategic autonomy of Nehru, or will nationalism push India more to alliances with the US and others. Thank you.

Elizabeth Threlkeld: Thanks very much. Other questions? Please.

Mike: Thank you, I'm Mike Ashford from Comontix International. I'm curious if you could pivot, if one of you or any of you have particular opinions in pivoting from the geopolitical of the major powers to the regional integration, and what the role of the powers are in this strategy, in terms of energy and economic growth as an Indo-Pacific region, because I believe that was a key component, at least of the stated policy. So I'm wondering if you might just comment on that, whether it's general economic or energy or infrastructure, in terms of the subsets of Southeast Asia and Indo-Pacific region.

Elizabeth Threlkeld: Fantastic, thanks so much. All right, let's take those two questions, and then we can do one more round at least. Manoj, do you wanna start off?

Manoj Joshi: Yeah. I think I can respond to that issue of strategic autonomy or closer ties with the US. I think you pointed to the right point, where you say that India does not seem to have yet figured out what its national perspective is going to be. And one of the big problems of Indian perspective on anything, is India has no written national security strategy. I don't say that it should be public, but it could at least ...

Manoj Joshi: The problem is when you have a sprawling country of that size, and you have huge government, everyone's not on the same page. If you ask different ministries what is the most important strategic challenge you have, you'd get 10 different answers from 10 different ministries. So one is

the government itself becoming more efficient in laying out a strategic vision, sitting down, applying your mind.

Manoj Joshi: Now when I was in the National Security Advisory Board, or other colleagues of that, we have actually written up stuff and given to the government. But we're only advisory. They've got to eventually approve of it because once you approve of it, then you take strategic directions. Right now, if you witness a certain degree of scattering of Indian effort, it's because there is no unified vision of the strategic vision, that's one thing.

Manoj Joshi: The second part that I'd like to bring out, is that when we look at Indian policy, you must also understand that Indian policy is born out of weakness. The country's weakness as a very large, poor country which has huge challenges to national development. But there is also another weakness, which is the poor management of national security by the leaders of the country.

Manoj Joshi: The national security system of the country is managed in a sub-optimal fashion. And the result is that though you have large expenditures, whether it is acquisitions, whether it is the kind of money that you're spending, you'll have a first-class ship of the navy being launched, but it turns out that it doesn't have helicopters, or it doesn't have heavy-weight torpedoes to go with it, which come three, four years later.

Manoj Joshi: So this kind of dysfunctionality of the country's defense mechanism leads inevitably for you to seek allies. So the point I'm trying to make is, to what extent is India's search for alliance a balance of power issue, in the sense that because we feel the balance shifting against us vis-a-vis China and South Asia and the Indian Ocean region, and that shift is born out of our own incompetence and weakness rather than any objective factor.

Manoj Joshi: In the sense that if India's defense modernization is delayed by, I would safely say one and a half decades, meaning we are one and a half decades behind schedule in defense modernization. If that is the case, then India will inevitably, when it confronts adversaries or potential adversaries like China, will have a sense of weakness, and will definitely seek to use third parties to balance.

Manoj Joshi: So I'm saying a lot of this stems from weakness, incompetence, inability of the government to give a coherent direction, and not necessarily issues which relate to the larger vision. Which of course you rightly said, there is a problem there.

Elizabeth Threlkeld: All right, thanks very much. And who would like to take the regional integration, energy and economic growth?

Brett Lambert: Well I think, going back to your comments, which I think you're much more forthright than I would be on the discussions. I mean when I was in India in 1986, the light attack combat aircraft and the light attack helicopter were only two years away. And I think they're still two years away. So it is a difficult environment from that perspective.

Brett Lambert: We are a bit more fortunate in the US, I think particularly under the leadership of Secretary Mattis, the NDS, if you haven't read it, the National Defense Strategy, is probably the best document I've seen come out of the Department of Defense. It's very direct in the shift of the policy. It's only about 13 pages, the unclassified version.

Brett Lambert: The classified version is much more in-depth, and I think answers a lot of the questions you were asking in terms of what is the US policy, not just for the region, but as we enter these peer competitions, it spells out in the unclassified version China and Russia, it then discusses the importance, in the unclassified version of partnerships and alliances. And the need of the national security apparatus in the United States to reach out more I think aggressively to those potential partners and alliance through a means of mechanisms, economic, mil-to-mil. But it doesn't limit it to mil-to-mil, and that I think was an important statement within the National Defense Strategy.

Brett Lambert: And you saw a similar document come out of the White House in the National Security Strategy which amplifies those tenets. So I think there's been really good work at the bureaucratic level at helping both our friends and our potential adversaries understand very clearly where our priorities and our policies lie in terms of our interests. And that's not just military interests, but economic interests as well. Those are the two documents that I think have done a better job than anything I've seen in probably 15 or 20 years.

Elizabeth Threlkeld: Anyone else on that, or more broadly on regional integration? All right. Other questions from the audience. Yeah.

Richard: Thank you, I'm Richard Cronin, a fellow at Stimson Center. And I have a question, a follow-up to both the first and last questions. And that is that apart from the geopolitics and the policies etc, what is the actual status of India's defense capabilities in terms of a defense industry, technology etc. For instance, how do they compare with more developed countries, or

even China certainly, on technology but also the financial and economic resources that they can allocate to the defense side and the defense industry in particular? Or even to purchase from abroad, acquire from abroad, defense equipment. Thanks.

Elizabeth Threlkeld: Great, thanks very much. And one more, maybe? Yeah.

Sombra: Thank you very much. My name is Sombra, from the [inaudible] Punjabi Newspaper. I'd like to ask Yun Sun to make a comment on the position of Russia. I under Russia is relatively outside the orbit of the Indo-Pacific region, but recently China and Russia is getting closer. Mr. Abe of Japan is very eager to make peace treaty with Russia. And also some countries in Asia Pacific signed from last year. And also the United States decided to withdraw the INF treaty. So also this kind of development, how does it make impact on the geopolitics of Indo-Pacific region? That's my question.

Elizabeth Threlkeld: Great, thanks so much. So first on status of India's defense capabilities. Manoj, do you wanna take a first crack at that?

Manoj Joshi: Thank you. Nice to see you again, Richard. I've met Richard so many times in the past when he was in the Congressional Research Service [CRS]. And you know, he, like all CRS people, tracked these issues very closely. But I have bad news for you. In fact, I had a paper with me, unfortunately I didn't bring it, which I have just written, but I can always send it to you.

Manoj Joshi: This year, our standing committee on defense came out with a report. And it found that all three services, the army, the navy and the air force, complaining that this year's capital outlay budget for each three of them, which is used to buy new equipment, was not enough. In the sense it was not even enough to cover existing liabilities, in the sense past contracts didn't have enough.

Manoj Joshi: And this has been the story for quite a while. In the sense that despite the fact that we spend a huge amount of money. Unfortunately, when I reel of figures I'll speak in lakhs and crores, and that gets a bit confusing. But whatever it is, let me tell you in broad terms. What I found when I did this paper, is that of course government of India since late '80s conveniently keeps defense pensions out of the defense budget calculation, but it need not worry us.

Manoj Joshi: If you include that, one fourth of the budget goes for pensions. Another fourth goes to pay salaries and allowances. Another fourth, most of it goes

to maintenance of existing equipment. And the vice-chief of army staff stood up and told the committee that 75% of our equipment is “vintage”. The word he used was “vintage”.

Manoj Joshi: Now the point is, very obviously the country is laying out money, it's the biggest amount of single-point expenditure of this Union government, but it's simply not being spent in a effective fashion. One big problem is the manpower issue. Our army is far too big, and a lot of them are committed to internal security duties.

Manoj Joshi: Now the point is, to bring the issue short, as someone put it, India has an army which is ready to fight a third-generation war, but cannot fight a fourth-generation combat. And this is primarily in reference to China, which is increasingly becoming more and more capable in fourth-generation warfare, heavy use of electronics, precision-guided munitions etc.

Manoj Joshi: So the Indian capability, and one of the reasons ... You know the Prime Minister apparently told the military in one of the meetings, "Look, there's not gonna be a real war, is there? So should we really spend the money here?" Because you can imagine from an Indian politician's point of view, he needs to spend the money in his constituencies. This is the, I would say, problem of being a democracy. That you've got to keep your constituency happy. And the Prime Minister is laying out 3,000 crore rupees for his constituency in Benares, he's doing all kinds of things out there.

Manoj Joshi: Now other politicians also do similar kind of things. So there is a competition for resources, and the armed forces, besides this issue of resources, the second point is they're unable to reform. Now this reform can only be carried out, it has to be politically led. You can't ask the chief of army staff to reform the army, it just will not happen. It must be politically led.

Manoj Joshi: And unfortunately we've been unfortunate with several of our recent political leadership of the defense ministry and of the armed forces. They've simply not been able to do the job that they should do. It requires knocking a lot of heads. I was in the Naresh Chandra Committee committee which recommended something like 400 different items of reform, right across the national security system. But all that has been shelved.

Manoj Joshi: So it's not that the government doesn't have the advice, the government doesn't have the political will or capacity to implement that advice. And so, the Indian armed forces, you have the air force which says, "Oh my

god, we're going to go down from 42 squadrons to 31 squadrons, gonna get further down." And as I pointed out to you, the navy today has these wonderful Indian designed, Indian built frigates which don't have integral helicopters. Because they haven't been bought.

Manoj Joshi: The air force keeps on trying to buy new aircraft, they never manage it. So it's not a particularly happy situation.

Elizabeth Threlkeld: Thanks so much Manoj. Cognizant of time, I think we have time for one person-

Brett Lambert: Can I just add one thing to that? We have the same issues. But it is the fifth largest defense budget, it's primarily directed toward personnel, obviously. But the plan that was the latest one put forward has about 150 billion in acquisition over the 10 years, which is about 15 billion. And acquisition for equipment, to strike the right balance though. It's the balance we face all the time.

Brett Lambert: If you think about us, it's almost $2 billion a day. Just imagine that, in defense spending. But two thirds of that is in personnel and in O&M. And the Indians face a similar problem. So there's a lot of commonality between the issues we face in modernization. We don't refer to them as “vintage” equipment, we refer to them as “museum-ready”. But other than that there is quite a bit of commonality of issues that we face.

Richard: On very different levels.

Brett Lambert: Different levels.

Elizabeth Threlkeld: I see one comment from the audience very briefly, and then if we can have one person who will be ready to address the Russia question, because I know we're running short on time. But Polly, did you wanna make a quick comment?

Polly: Yes please. I'm Polly Nayak, I'm a fellow at Stimson. And I wanted actually to raise the question of how much concern there is within the governments that we've been talking about regarding the possibility that China is actually going forward with the famous string of pearls strategy, and using its increased maritime access as an anchor for future bases. And I would include the Philippines in that question.

Elizabeth Threlkeld: Thanks so much. Yuki, do you wanna address the Russia question?

Yuki Tatsumi: Yeah, very quickly on Russia. And of course we're coming to this at the heel of Prime Minister Abe had the really interesting summit with President Putin. And apparently without any staff, they just had a really deep conversation about how to move this peace treaty process forward, just with interpreters involved. So what actually did happen, and what type of margin of interpretation error between the two, and lost in translation, we'll never know.

Yuki Tatsumi: But from a Japanese vantage point, Russia does have an impact in its defense planning. During the Cold War, Russia is the existential threat that Japan postured its defense postures for. And it took about 10 years for them to shift from that posture to southwestern island chain, which has China as the primary threat. And all of a sudden they wake up in the last couple of years that China and Russia are actually coordinating a lot of things, they're doing joint drills in the area that Japan actually has a concern with.

Yuki Tatsumi: So now I think they're facing the question of, do we now have to add both of the forces when we talk about force posturing and force sizing? And I think jury is still very much out. They're still trying to gauge how genuine this security partnership is. And I think they're still not quite there yet to say, "Okay we need to actually automatically add those forces together when we do our force sizing and posturing." But that is definitely a concern.

Yuki Tatsumi: And if Japan starts to be a little bit distracted by Russian action toward the north, or what they might or might not be able to do to assist China in their operations in East China Sea, for example, that would put an additional wrinkle that it doesn't need to its defense planning.

Yuki Tatsumi: Manoj talked about the interesting situation of Indian armed forces. I'm very relieved to hear that Japan is not the only country that has that same issue. Plus, in Japan's case, they are grappling with an aging population too. So how to resolve that aging population, can they really sustain even the current level of force with the increasingly aging population? They have been very closed about immigration.

Yuki Tatsumi: There's a limit you can go just by trying to open more MOSs to women, introducing AI and other advanced technology to substitute some of the functions. So that is a real question that they really need to be grappling with. But to quickly respond to, do countries that we've been talking about, do they have a real concern about China ever trying to utilize their maritime capabilities.

Yuki Tatsumi: I think Japan is already worried about it. That's why I think they try to make existing measures, like ODA and other means of transferring some of its capability to Philippines or Indonesia and Vietnam. And I don't see that trend slowing. And if anything, I think Japan will probably, with the United States, reaching out to Australia and probably India to coordinate some of those actions, to, for lack of better words, deter China from ever thinking about it.

Elizabeth Threlkeld: All right, thanks so much. Very very briefly, Yun, do you want to...

Yun Sun: Yeah, just very briefly. On the question of the Indian capability, I was in a discussion in China earlier this year and they talked about this Doklam standoff and what does that mean. I remember one set of comments, which is that China's GDP is five times that of India's, so if India wants to start an arms race, it's not a problem for China.

Yun Sun: I also agree that China does not have to subject its decision-making to the domestic public opinion, in a way. So there does seem to be some disparity there.

Yun Sun: I think on the issue of Russia, it's very interesting that China's top concern about Russia since Trump took over is whether this strategic triangle is going to reverse in the other direction. Whether Trump administration will reach out to Russia, and actually the Chinese were pretty keen on finding out whether Dr Kissinger made that suggestion to the Trump administration.

Yun Sun: But in a way, China's concern is not about Russia, it's about what Russia might do with the United States. And similarly, China's concern is not India, it's what India could potentially align or do with the United States. So I think that's still a very US-centric perception. But then again, Beijing is very pleased to find out that the US policy on Russia is not changing any time soon. Because that fostered a further strategic alignment between the two.

Yun Sun: On the issue of string of pearls, I think the Chinese are undermining their own agenda in a lot of ways. Look at what happened in Sri Lanka. The public opinion, reputational risk, and look at what happened in Burma last week. They announced they reached a deal about the Kyaukpyu deep seaport, and depending on whose interpretation you look at, it's basically cutting the deep seaport from USD $10 billion to USD $1 billion.

Yun Sun: So I think the way that the Chinese imposed or proceeded with their economic statecraft in countries that have reservations about China's intention is a bigger problem. And I would assume that similar problems will arise in Malaysia already and in Philippines. Thanks.

Elizabeth Threlkeld: All right, we are getting the signal it is time to wrap up. So I think that is all the time we have this morning, thank you so much for those questions and for joining us again, braving the weather outside. Thanks also to our livestream viewers and to our panelists. Please join me in thanking them.