

Will the Indo-Pacific become “free and open”?

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The Indo-Pacific region, uniting the Indian and Pacific oceans, is the world’s economic and geopolitical hub. It is home to the world’s most populous nations, largest economies, and largest militaries. While the Pacific is the world’s largest ocean, the Indian Ocean is also big, extending from Australia to the Middle East and southern Africa. Two-thirds of the world trade moves through the Indo-Pacific. This vast region includes more than half of Earth’s surface and two-thirds of the population. Just Asia is projected to have 40 percent of the world’s middle class by next year.¹

More significantly, the Indo-Pacific is emerging as the center of global power and wealth. Building a stable balance of power that keeps the peace is at the heart of the security challenges in this sprawling region.

Geopolitical rivalry in the Indo-Pacific, however, is already sharpening. For example, several boundary, sovereignty and jurisdiction disputes threaten freedom of navigation. China is challenging the existing balance of power, with its territorial and maritime revisionism injecting greater instability and tensions. Indeed, China is seeking to checkmate, if not supplant, the United States, as the dominant power in the Indo-Pacific.

U.S. President Donald Trump’s administration has championed the concept of a “free and open Indo-Pacific.” Under this strategy, freedoms of navigation and overflight would be safeguarded, commerce and culture flows would stay unhindered, existing borders would not be disturbed, and nations would respect international rules and norms and also respect their neighbors as equals. Simply put, the concept’s “free” part includes keeping regional states free from external coercion. Any sustained coercion, after all, can undermine strategic autonomy.

The Trump administration, through its “free and open” Indo-Pacific strategy, has clearly signaled that the United States has no intention of ceding influence or control over the region to China. In fact, in his speech at the 2018 Asia-Pacific Economic Cooperation (APEC) CEO meeting, U.S. Vice President Mike Pence mocked Chinese President Xi Jinping’s Belt and Road Initiative (BRI) as a “constricting belt” and a “one-way road” that compromises sovereignty and drowns partner-states in “a sea of debt.”² “Preserve

¹ U.S. Indo-Pacific Command, “Carter: Demographics, Economics Boost Asia’s Global Profile,” April 3, 2015, <https://www.pacom.mil/Media/News/Article/583492/carter-demographics-economics-boost-asias-global-profile/>.

² The White House, “Remarks by Vice President Pence at the 2018 APEC CEO Summit,” Port Moresby, Papua New Guinea, November 16, 2018. Full transcript:

your independence,” he counseled. “The truth is governments that deny rights to their own people too often violate the rights of their neighbors. Authoritarianism and aggression have no place in the Indo-Pacific,” Pence added.

The Region

According to the U.S. government, the Indo-Pacific region extends from “the west coast of India to the western shores of the United States.”³ The phrase “Indo-Pacific,” as then U.S. Secretary of State Rex Tillerson alluded to, is intended to emphasize that the U.S. and India are “bookends” in that extended region. However, not all the regional states accept this definition of the region. India, for example, sees the region as stretching from the western coast of North America to South Africa, the Horn of Africa, and the critical sea lines of communication (SLOCs) through the Strait of Hormuz. Japan too sees the Indo-Pacific as extending India’s west coast.

The fact is that the U.S. definition of the Indo-Pacific has much to do with the geographical zones of its naval commands. The definition of the Indo-Pacific meshes with the geographical range of the U.S. Navy’s Indo-Pacific Command. That range extends up to India’s sea frontier with Pakistan. The area beyond that point comes under the U.S. States Naval Forces Central Command (NAVCENT), which includes the Fifth Fleet and whose area of responsibility extends to the Arabian Sea, the Persian Gulf, the Red Sea and the Gulf of Oman. However, because of India’s location close to the Middle East, U.S. navy fleets under three different U.S. commands — the Indo-Pacific Command, Central Command, and Africa Command — interact with the Indian Navy.

It was in May 2018 that then U.S. Defense Secretary James N. Mattis announced the renaming of the U.S. Pacific Command as the U.S. Indo-Pacific Command describing the expanded theater as stretching “from Bollywood to Hollywood.” The renaming was a recognition of the increasing connectivity between the Indian and Pacific Oceans and America’s commitment to a “free and open” Indo-Pacific strategy. The move implicitly recognized India’s increasing strategic significance for the United States. Indian Prime Minister Narendra Modi, for his part, unreservedly echoed the American objective to achieve a “shared vision of an open, stable, secure and prosperous” Indo-Pacific, which he described as “a natural region.” India occupies a critical position in the Indo-Pacific. It has a coastline of 7,500 kilometers, with more than 1,380 islands and more than two million square kilometers of Exclusive Economic Zone.

The plain fact is that the Indo-Pacific has emerged as the new global center of trade and energy flows, in keeping with the shift in world power from the trans-Atlantic region to

https://www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-2018-apec-ceo-summit-port-moresby-papua-new-guinea/?utm_source=twitter.

³ The White House, *National Security Strategy of the United States of America* (Washington, DC: December 2017), <https://goo.gl/CWQf1t>.

the East. In fact, the Indo-Pacific is likely to determine international geopolitics, maritime order, and balance of power. Yet, it is also true that in no part of the world is the security situation so dynamic and in such flux as in the Indo-Pacific — the hub of global geopolitical competition.

The challenges in the Indo-Pacific extend from traditional security threats to nontraditional and emerging challenges. The challenges are linked to its vast size and its vulnerability to natural disasters and global warming. Indeed, the region is regularly battered by natural disasters and accounts for more than three-quarters of the world's natural disasters.

The Indo-Pacific is actually on the frontlines of climate change. It has countries whose very future is imperiled by global warming. These states include the archipelago of Maldives (the world's flattest country) and Bangladesh, whose land area is less than half the size of Germany but with a population more than double. Because it is made up largely of low-lying floodplains and deltas, Bangladesh risks losing 17 percent of its land and 30 percent of its food production by 2050 due to saltwater incursion resulting from the rising ocean level, according to the Intergovernmental Panel on Climate Change. If, in the future, a state like the Maldives was submerged due to the global-warming-induced rise of ocean levels, what would be the legal status of its exclusive economic zone (EEZ), including the mineral wealth in it? This is an open question.

More fundamentally, the increasing use of the phrase “Indo-Pacific,” instead of the “Asia-Pacific” term that had long been common, reflects the concerns in most capitals in the region about the security of the maritime domain. “Asia-Pacific” and “Indo-Pacific” may cover the same large region. But unlike “Asia-Pacific,” the term “Indo-Pacific” connotes a maritime dimension. After all, the term Indo-Pacific represents the fusion of two oceans — the Pacific and the Indian.

The regional security competition is occurring largely in the maritime context, which explains the increasing use of the term “Indo-Pacific,” rather than “Asia-Pacific.” Underscoring the growing importance of the maritime domain, Asia's oceans and seas have become an arena of competition for resources and influence. It now seems likely that future crises in the Indo-Pacific will be triggered at sea or at least settled at sea.

To be sure, the terminology change rankles Beijing, which insists on using the term “Asia-Pacific” because it sees that concept as underscoring China's centrality. Indeed, China views the term “Indo-Pacific” as helping to raise the profile of its foe, India. New Delhi, of course, loves the name “Indo-Pacific.” As Prime Minister Narendra Modi said in an op-ed published in 27 ASEAN newspapers on January 26, 2018 (the day leaders of all 10 ASEAN states were honored as chief guests at India's Republic Day parade), “Indians have always looked east to see the nurturing sunrise and the light of

opportunities. Now, as before, the East, or the Indo-Pacific region, will be indispensable to India's future and our common destiny.”⁴

As a concept, “Indo-Pacific” offers the geopolitical framework to foster growing strategic cooperation and collaboration among the United States, India, Japan, Australia and other key regional players. For example, by employing the Indo-Pacific as their geopolitical framework, democratic powers can develop the appropriate maritime capabilities and partnerships to help advance regional stability and power equilibrium. However, such collaboration and partnerships must extend to non-democracies like Vietnam, a country that has demonstrated a resolve to stand up to China.

China's Belt and Road Initiative

The new challenges and opportunities in the region are underscored by the U.S.-led “free and open Indo-Pacific” strategy; China's increasing forays into the South Pacific and the Indian Ocean region, which extends up to the Middle East and eastern and southern Africa; India's “Look East” policy, which has now become the “Act East” policy; and Japan's western-facing approach. With China establishing its first overseas military base at Djibouti and increasingly dispatching submarines to the Indian Ocean, where it has pursued a string of port-related projects, including a dual-purpose port in Gwadar, Pakistan, the shift to the term “Indo-Pacific” became inevitable for analytical correctness and policy application.

In fact, China's Belt and Road Initiative (BRI) is concentrated largely in the Indo-Pacific region. Grand on ambition but short on transparency, Chinese President Xi Jinping's marquee project, the BRI, seeks to refashion the regional economic and political order by luring nations desperate for infrastructure investments into China's strategic orbit. The BRI was essentially designed as an imperial project aiming to make real the mythical Middle Kingdom.

The BRI, rolled out in 2013, attracted many countries with China's offer to finance and build major infrastructure projects, including ports, highways, energy plants and railroads. Nations neglected by multilateral lending institutions flocked to the BRI. Xi, seeking to put the international imprimatur on his initiative, hosted the first BRI summit in Beijing in 2017 that was attended by a number of world leaders but prominently boycotted by India.

But after smooth sailing in the first phase, the BRI has been encountering strong headwinds, as partner-countries worry about China ensnaring them in sovereignty-eroding ‘debt traps.’ China has extended huge loans to financially weak states, only to strengthen its leverage through debt entrapment. Indeed, Beijing has converted big credits not just into political influence but also a military presence, as its first overseas naval

⁴ Nadrendra Modi, “Shared Values, Common Destiny,” *The Straits Times*, January 28, 2018, <https://www.straitstimes.com/opinion/shared-values-common-destiny>.

base at Djibouti illustrates. Trapped in a debt crisis after borrowing billions of dollars, Djibouti was left with no choice but to lease land for the base to China for \$20 million in annual rent.

Malaysian Prime Minister Mahathir Mohamad, with Chinese Premier Li Keqiang by his side in Beijing's Great Hall of the People, criticized China's use of infrastructure projects to spread its influence. By warning China against "a new version of colonialism," Mahathir highlighted international concerns over Beijing's use of geo-economic tools to achieve geopolitical objectives. A number of countries have now been trying to renegotiate their deals with Beijing. Some have decided to scrap or scale back BRI projects. Even China's close ally, Pakistan, has downsized its main BRI railroad project by \$2 billion.

The BRI not only seeks to export China's model of top-down, debt-driven development through government-to-government deals clinched without competitive bidding, but is also creating new markets for China's state-owned manufacturers and infrastructure developers at a time when they are facing sharp slowdown and overcapacity at home. But, increasingly, the BRI is being seen internationally as an attempt to remake global commerce on China's terms and project Chinese power far and wide.

Vulnerable countries are awakening to the risks of accepting loans that are too good to be true and then slipping into debt entrapment. From Myanmar to Kenya, China's big-ticket BRI projects are facing criticism for their potential to saddle countries with debt that they cannot pay off, which would leave them with no option but to transfer their strategic assets to Beijing. This is exactly what happened to the small island-nation of Sri Lanka. In December 2017, China acquired the strategic Indian Ocean port of Hambantota on a 99 year lease in exchange for shaving \$1.1 billion off of Sri Lanka's debt.

By financially shackling smaller states through projects it funds and builds, China is crimping their decision-making autonomy in a way that encourages these states to stay within its strategic orbit. China is even replicating some of the practices that were used against it during the European-colonial period; for example, the concept of a 99 year lease emerged when Britain leased the New Territories from China for that period in 1898, causing Hong Kong's landmass to expand by 90 percent.

In the Maldives, China has managed to acquire several islets in that heavily indebted Indian Ocean archipelago. While the terms of the various lease agreements have not been disclosed, the acquisitions have come cheap; for example, China paid just \$4 million for Feydhoo Finolhu, an island that previously served as a police training center. Mohamed Nasheed, the nation's first democratically elected president who was ousted at gunpoint in 2012, said that, "Without firing a single shot, China has grabbed more land in the Maldives than what [Britain's] East India Company did at the height of the 19th century."

Despite these criticisms, the BRI is still bagging new contracts in some other countries. U.S. punitive policies against countries as varied as Russia, Iran and Zimbabwe are

aiding China's geo-economic objectives. Internal political developments in some nations have also advanced Chinese interests.

One example is the Himalayan nation of Nepal, which became the world's sixth communist-ruled country in February 2018. China helped unite warring communist factions in Nepal and funded their election campaign. Now Beijing is reaping the rewards. The new communist government in Nepal has reinstated a deal with China for a \$2.5 billion dam project that was scrapped by the previous government. China won the contract without an open bidding process, and further, critics in Nepal say, China has massively inflated the project cost, which will leave Nepal struggling to repay the Chinese loan.

Laos, another communist-ruled nation, is also seeking more BRI financing and investment. In continental Southeast Asia, while Myanmar, Thailand and Vietnam are now wary of getting too close to China, Laos and Cambodia see the BRI as critical to boosting their economic growth. Ensnared in a sovereignty-eroding Chinese debt trap, Cambodia, of course, has had little choice but to continue making major concessions to China.

The reality, however, is that after the initiative's heady first phase, the pace of new contracts under the BRI has slowed, as concerns spread about China's debt-trap diplomacy and as heavily indebted nations recoil from accepting more Chinese financing in the form of market-rate loans. This trend is likely to intensify in the next few years.

With the BRI funding largely going to economically weak and politically fragile countries, China's business logic could face greater scrutiny even at home, especially as the security costs of some projects mount. Take Pakistan, the largest recipient of BRI financing. The Pakistani military has created a special 15,000 strong force to protect Chinese projects. In addition, thousands of police have been deployed in some provinces to protect Chinese workers. Yet sporadic attacks on Chinese in Pakistan have underscored the rising security costs. The BRI has also contributed to Pakistan's deepening financial crisis, with the country forced to seek an international bailout package.

Within China, the BRI has started to face criticism from intellectuals who question the wisdom of plowing hundreds of billions of dollars into overseas projects when the government is still grappling with poverty and underdevelopment in a number of provinces. Critics are also concerned that Xi's aggressive, in-your-face quest for Chinese dominance is inviting an international backlash. The BRI — the world's biggest building program, which Xi has hailed as “the project of the century” — exemplifies how China is flaunting its global ambitions.

The larger pushback against China's neocolonial practices is likely to intensify in the coming years, putting greater pressure on the BRI. The initiative, however, will continue to benefit from a U.S.-led sanctions approach that seeks to punish countries in the name of human rights or nuclear nonproliferation. Thanks to this approach, the BRI is still

bagging major lucrative contracts in countries as diverse as Iran, Sudan and Cambodia, in spite of the looming risks to each country's financial future.

“Free and open Indo-Pacific”

The term “Indo-Pacific” has become shorthand for a rules-based, liberal order. By contrast, the concept of “Asia-Pacific” is seen as placing China too firmly at the center, with that country's muscular rise raising the troubling specter of an illiberal, hegemonic order with Chinese characteristics.

The concept of a “free and open Indo-Pacific” was originally authored by Japanese Prime Minister Shinzo Abe, who has been pushing since 2007 that the “Indo-Pacific” term be used in preference to “Asia-Pacific.” Abe, clearly, was instrumental in shaping the Trump administration's “free and open Indo-Pacific” strategy. Abe first used the “free and open Indo-Pacific” phrase in August 2016 in Nairobi, Kenya, while laying out Japan's own strategy for the region. Abe's “Free and Open Indo-Pacific Strategy” speech in Nairobi was delivered at the Tokyo International Conference of African Development (TICAD), which was launched by Japan in 1993 to help promote Africa's development, peace and security through multilateral cooperation and bilateral partnerships.⁵ In that keynote speech, Abe outlined his vision for the largest stretch of the globe — from the Pacific to the Indian oceans — that he hoped would be united by trade and a common political worldview. Partly a riposte to China's Belt and Road Initiative (BRI), Abe's “Free and Open Indo-Pacific” vision was based on the principles of free trade and freedom of navigation, the rule of law and the market economy. These are the very principles that have come to define America's own “free and open Indo-Pacific” strategy.

Abe's Indo-Pacific strategy grew out of his 2012 proposal to create a “democratic security diamond” in Asia. Speaking of “the confluence of the Indian and Pacific Oceans,” Abe wrote in an op-ed in 2012 that “it is imperative that the democratic nations” in the region work together. He suggested “a strategy whereby Australia, India, Japan and the U.S. state of Hawaii form a diamond to safeguard the maritime commons from the Indian Ocean to the western Pacific.”⁶

About a year after Abe made his Indo-Pacific proposal in Nairobi, the idea was echoed by the then U.S. Secretary of State Rex Tillerson in his first major speech after assuming office. Tillerson, speaking at the Washington-based Center for Strategic and International Studies in October 2017, said: “The Indo-Pacific, including the entire Indian Ocean, the Western Pacific and the nations that surround them, will be the most consequential part of

⁵ Yuichi Hosoya, “FOIP 2.0: The Evolution of Japan's Free and Open Indo-Pacific Strategy,” *Asia-Pacific Review*, Vol. 26, No. 1 (2019), pp. 18.28.

⁶ Shinzo Abe, “Asia's Democratic Security Diamond,” Project Syndicate, December 27, 2012, <https://www.project-syndicate.org/onpoint/a-strategic-alliance-for-japan-and-india-by-shinzo-abe?barrier=accesspaylog>.

the globe in the 21st century. Home to more than 3 billion people, this region is the focal point of the world's energy and trade routes. Forty percent of the world's oil supply crisscrosses the Indian Ocean every day, through critical points of transit like the Straits of Malacca and Hormuz. And with emerging economies in Africa, and the fastest growing economy and middle class in India, whole economies are changing to account for this global shift in market share. Asia's share of global GDP is expected to surpass 50 percent by the middle of this century. We need to collaborate with India to ensure that the Indo-Pacific is increasingly a place of peace, stability and growing prosperity so that it does not become a region of disorder, conflict, and predatory economics. The world's center of gravity is shifting to the heart of the Indo-Pacific. The U.S. and India, with our shared goals of peace, security, freedom of navigation, and a free and open architecture, must serve as the Eastern and Western beacons of the Indo-Pacific, as the port and starboard lights between which the region can reach its greatest and best potential."⁷

But it was President Trump who formally unveiled his administration's new "free and open Indo-Pacific" strategy. He did that, interestingly, in the Vietnamese beach resort of Da Nang while delivering his speech at the Asia Pacific Economic Cooperation (APEC) forum in November 2017.⁸ As Trump put it, Vietnam is "in the very heart of the Indo-Pacific." He said that his vision for a free and open Indo-Pacific is "a place where sovereign and independent nations, with diverse cultures and many different dreams, can all prosper side-by-side, and thrive in freedom and in peace." Then days later, speaking in the Philippines, Trump called for a "truly free and open Indo-Pacific region."⁹

This was followed by the U.S. National Security Strategy report also detailing the "free and open Indo-Pacific" vision. According to the report, "A geopolitical competition between free and repressive visions of world order is taking place in the Indo-Pacific region. The region, which stretches from the west coast of India to the western shores of the United States, represents the most populous and economically dynamic part of the world. The U.S. interest in a free and open Indo-Pacific extends back to the earliest days

⁷ U.S. Secretary of State Rex Tillerson, "Defining Our Relationship with India for the Next Century: An Address by U.S. Secretary of State Rex Tillerson," Center for Strategic and International Studies, Washington, DC, October 18, 2017, full transcript at: https://csis-prod.s3.amazonaws.com/s3fs-public/event/171018_An_Address_by_U.S._Secretary_of_State_Rex_Tillerson.pdf?O0nMCCRjXZiUa5V2cF8_NDiZ14LYRX3m.

⁸ U.S. President Donald Trump, "Remarks by President Trump at APEC CEO Summit," November 10, 2017, Da Nang, Vietnam (Washington, DC: The White House), <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-apec-ceo-summit-da-nang-vietnam/>.

⁹ The White House, "FACT SHEET: President Donald J. Trump's Trip to the Philippines," November 14, 2017, available at: <https://www.whitehouse.gov/briefings-statements/president-donald-j-trumps-trip-philippines/>.

of our republic.”¹⁰ While stating that “Chinese dominance risks diminishing the sovereignty of many states in the Indo-Pacific,” the report held out a warning: “We are under no obligation to offer the benefits of our free and prosperous community to repressive regimes and human rights abusers.”

What do the words “free” and “open” mean in America’s Indo-Pacific strategy? U.S. Secretary of State Mike Pompeo has explained: “When we say ‘free’ Indo-Pacific, it means we all want all nations, every nation, to be able to protect their sovereignty from coercion by other countries. At the national level, ‘free’ means good governance and the assurance that citizens can enjoy their fundamental rights and liberties. When we say ‘open’ in the Indo-Pacific, it means we want all nations to enjoy open access to seas and airways. We want the peaceful resolution of territorial and maritime disputes. This is key for international peace and for each country’s attainment of its own national aims. Economically, ‘open’ means fair and reciprocal trade, open investment environments, transparent agreements between nations, and improved connectivity to drive regional ties — because these are the paths for sustainable growth in the region.”¹¹ According to Pompeo, the Indo-Pacific is “one of the greatest engines of future global — of the future global economy, and it already is today. And the American people and the whole world have a stake in the Indo-Pacific’s peace and prosperity. It’s why the Indo-Pacific must be free and open.”¹²

The geopolitical flux in the Indo-Pacific is being highlighted by several developments. The escalating U.S.-China trade war, despite a Phase One deal, is setting in motion a gradual “decoupling” of the world’s top two economies. Relations between America’s closest allies in East Asia, South Korea and Japan, are deteriorating. South Korea’s weaponization of history is increasingly roiling its relations with Japan. Instead of seeking to hold Japan accountable for its colonial-era excesses, South Korea, through over-use, appears to be blunting its history card. Add to the picture the surging tensions over two Indo-Pacific hotspots: Taiwan, with the growing animosity between Beijing and Taipei increasing the risks of a shooting war; and the erstwhile kingdom of Jammu and Kashmir, whose control is split among India, Pakistan and China.

Meanwhile, China still pursues aggression in the South China Sea, as exemplified by its aggressive move in the waters off Indonesia’s northern Natuna Islands (which Beijing claims are its “traditional fishing grounds”), as well as by the Chinese coercion against Vietnamese hydrocarbon exploration within Vietnam’s exclusive economic zone. Hong

¹⁰ The White House, *National Security Strategy of the United States of America* (Washington, DC: December 2017), available at: <https://goo.gl/CWQf1t>.

¹¹ U.S. Secretary of State Mike Pompeo, “Remarks: Secretary Pompeo,” Department of State, July 2018, <https://www.state.gov/secretary/remarks/2018/07/284722.htm>.

¹² *Ibid.*

Kong's pro-democracy movement, however, poses an increasingly difficult challenge for Beijing. The Xi Jinping government cannot afford to back down because of the risk that it would encourage citizens in mainland China to demand rights.

If Hong Kong's mass movement loses to Chinese authoritarianism, the implications will not be limited to that city. Indeed, it could embolden Beijing's designs against Taiwan as well as China's territorial revisionism against Vietnam, Japan, India and others. Another Tiananmen Square triggered by China's unleashing of brute force, this time in Hong Kong, would have far greater international geopolitical fallout than the 1989 massacre that occurred in Beijing. After the 1989 Tiananmen Square massacre, Washington did not sustain sanctions against Beijing in the naïve hope that a more prosperous China would liberalize economically and politically.

To be sure, the larger challenges in the Indo-Pacific center on establishing a pluralistic and stable regional order, ensuring respect for existing borders, and safeguarding freedoms of navigation and overflight.

In this light, the "free and open Indo-Pacific" strategy is seen as a much-needed successor to the Barack Obama administration's "pivot" to Asia, which failed to take concrete shape.^{1 3} The broadening of the U.S. policy focus to a wider region encompassing the Indian Ocean was a response to the expanding ambitions of China, which, after building and militarizing artificial islands in the South China Sea, started focusing on the Indian Ocean and the western Pacific. Despite Obama policy underscoring Asia's new centrality to American economy and security, his administration's "pivot" to Asia never acquired concrete strategic content, remaining largely a rhetorical repackaging of policies begun over the previous decade.

In recent years, the U.S. has made the most of the regional concerns over China's increasingly muscular approach by strengthening its military ties with existing Asian allies and forging security relationships with new friends. The heady glow of America's return to the Asian center-stage, however, has obscured the key challenges it faces to retain its primacy in the region in the face of China's relentless push to expand its sphere of influence.

Under Obama, the U.S. increasingly ceded ground to China, a trend that admittedly began as the Bush administration became preoccupied with the wars in Iraq and Afghanistan. This spurred doubts about Washington's ability to provide strategic heft to its "pivot" policy by sustaining a higher level of commitment in the Indo-Pacific, where it still maintains 320,000 troops. In fact, the Obama administration, after appearing to raise Asian expectations about a more-robust U.S. response to China's growing assertiveness, started to tamp down the military aspects of its "pivot" and instead lay emphasis on greater U.S. economic engagement with Asian countries.

^{1 3} Michael Cole, "The True 'Pivot to Asia' Is Here," *The National Interest*, October. 23, 2018.

The renewed emphasis on the economic aspects came as a relief to some regional states apprehensive about being caught in a situation where they might be forced to choose between the U.S. and China. But for the countries bearing the brunt of China's recidivist policies on territorial or maritime disputes, this emphasis raised new doubts about the U.S. commitment. The economic reorientation actually signaled a correction in a "pivot" policy that began overemphasizing the military component, putting Washington on an uncomfortable path of seeking to take on Beijing. It was Secretary of State Hillary Clinton who first signaled a more hawkish U.S. stance on China by talking tough at the 2010 ASEAN Regional Forum meeting in Hanoi but who later moderated that line by playing the role of a business promoter in visits to Asian countries.

The refocus on trade and economic issues also prompted the Obama administration to launch the Trans-Pacific Partnership (TPP) initiative, which aimed to create a new free trade group in the Indo-Pacific that excluded China. Trump, however, pulled the United States out of the TPP as soon as he took office. The Obama administration also began emphasizing the importance of the East Asia Summit (EAS) and the Association of Southeast Asian Nations (ASEAN). The ASEAN summit usually overlaps with the EAS summit. In contrast to the Obama administration, the Trump administration has prioritized bilateral trade deals, with friends and foes, and placed strategic issues on the backburner. This explained why the Trump administration downgraded U.S. participation in the 2019 East Asia Summit and the ASEAN-U.S. summit in Bangkok.

Under Obama, the U.S. firmly believed that it was not in America's interest to take sides in bilateral disputes between China and its neighbors — unless, of course, U.S. interests were directly at stake, as in the South China Sea over freedom of navigation. For example, the Obama administration, like the Bush administration, charted a course of tacit neutrality on the recrudescence of Sino-Indian territorial disputes, including Beijing's sudden resurrection of a claim to the large Himalayan Indian state of Arunachal Pradesh. Similarly, Obama publicly urged both Beijing and Tokyo to peacefully resolve their dispute over the Japanese-controlled Senkaku islands. The longstanding U.S. policy has been to ensure that the Sino-Japanese standoff does not escalate to a level where Washington may be forced — against its own interests — to take Japan's side. Consequently, the U.S. has been publicly reiterating to this day that it does not take sides in the dispute over the control of the islands. However, under Trump, the U.S. has explicitly stated that the Senkakus are covered by its security treaty with Japan.

The Obama administration's reluctance to call out China's incremental aggression in the South China Sea emboldened Beijing to step up its actions, including launching a massive land-reclamation program there. It was that reluctance that allowed China to begin calling the shots in the South China Sea by gradually creating facts on the ground and at sea and challenging the regional order.

A wake-up call for Asian states that rely on the U.S. as their security guarantor was Obama's silence on the 2012 Chinese capture of the Scarborough Shoal, located within the Philippines' exclusive economic zone. The takeover occurred despite a U.S.-brokered

deal under which both Beijing and Manila agreed to withdraw their vessels from the area. Obama's inaction on the capture, coupled with his administration's apparent indifference to the U.S. commitment to the Philippines under their Mutual Defense Treaty, emboldened China to step up its aggression.

A second wake-up call for Asian allies came when China established an air defense identification zone (ADIZ) in 2013, setting an ominous new precedent by usurping international airspace over the East China Sea. Washington, far from postponing Vice President Joe Biden's trip to Beijing to express disapproval of the Chinese action, advised U.S. commercial airlines to respect the ADIZ — an action that ran counter to Japan's advice to its carriers to ignore China's demand that they file their flight plans through the zone in advance.

It was after China was able to unilaterally declare an ADIZ in the East China Sea without incurring any international costs that Beijing launched its land-reclamation program in the South China Sea. By the time an international arbitral tribunal set up by the Permanent Court of Arbitration (PCA) in The Hague ruled in 2016 that China's territorial claims in the South China Sea lacked legitimacy under international law, a new status quo had already been created at sea.^{1 4} This allowed China to trash the ruling as “null and void” and “a farce.”

China's first land-reclamation site was Johnson South Reef in the Spratly archipelago. The Spratlys lie to the south of the Vietnam-claimed Paracel Islands, which China seized in 1974 by cashing in on the departure of U.S. forces from South Vietnam. The Johnson South Reef was the scene of a 1988 Chinese attack that killed 64 Vietnamese sailors and sunk two of their ships.

Beijing pressed Asia's largest dredger, the 127-meter-long Tianjing, into service at Johnson South Reef. After arriving at the reef on December 17, 2013, the Tianjing — boasting its own propulsion system and a capacity to extract sediment at a rate of 4,530 cubic meters per hour — created 11 hectares of new land, including a harbor, in less than four months, as a Chinese warship stood guard.^{1 5} This provided a preview of the speed and scale with which China went on to create more manmade islands and then turn them into forward operating bases.

But it is important to note that China, far from starting the artificial enlargement of reefs and atolls suddenly or on a large scale, first probed possible U.S. reaction through

^{1 4} Arbitral Tribunal, “In the Matter of the South China Sea Arbitration,” PCA Case No. 2013-19, Final Award, <http://www.pcacases.com/pcadocs/PH-CN%20-%2020160712%20-%20Award.pdf>.

^{1 5} Michael Green, Kathleen Hicks, Zack Cooper, John Schaus and Jake Douglas, *Countering Coercion in Maritime Asia* (Washington, DC: Center for Strategic and International Studies, May 2017).

symbolic moves over several months. The absence of a tangible American pushback encouraged Beijing to ratchet up land-reclamation operations. For example, as part of its probing, Beijing first sent its dredger Tianjing to Cuarteron Reef. But, despite a three-week presence there in September 2013, the Tianjing initiated no land reclamation at that reef. Commercially available satellite images later showed the Tianjing at another reef, Fiery Cross, but again doing little.

Land reclamation at Johnson South Reef thus became the defining act. It paved the way for China's conversion of some other Spratly reefs, including Cuarteron Reef, Fiery Cross, Mischief Reef and Subi Reef, into artificial islands through large-scale dredging. To be sure, before initiating probing exercises in the South China Sea, China first tested the U.S. response in mid-2012 by seizing the Scarborough Shoal. The Scarborough capture showed to Beijing that Washington's bark was worse than its bite.

China's terraforming activities in the South China Sea, followed by militarization, occurred on Obama's watch. In a calibrated, step-by-step approach, with an eye on the U.S. reaction, China ramped up its island building gradually, with the final two years of the Obama presidency marked by frenzied Chinese construction.

In fact, Obama's last defense secretary, Ash Carter, in a 2018 Harvard University essay, highlighted Obama's soft approach toward China. Carter wrote that Obama, "misled" by his own analysis, "viewed recommendations from me and others to more aggressively challenge China's excessive maritime claims and other counterproductive behaviors as suspect."¹⁶ For a while, according to Carter, Obama even bought Beijing's idea of a G-2 style condominium.

Against this background, when the Trump administration unveiled its "free and open Indo-Pacific" strategy, it was seen as an attempt by the United States to recoup its losses in the region. Significantly, the "free and open Indo-Pacific" strategy coincided with a still-evolving paradigm shift in America's China policy. After all, the new challenges in the Indo-Pacific are largely linked to China's muscular rise and its territorial and maritime revisionism. China has become the main catalyst of the changing Indo-Pacific power dynamics. From the South Pacific to the Indian Ocean, China is seeking to change the status quo. It has been positioning itself in strategic ports along key shipping lanes in what has come to be known as a "string of pearls" strategy.

Trump, given his unilateralist approach, may have done little to build concrete geostrategic collaboration with other important players in the Indo-Pacific. But his lasting legacy will be the fundamental change in America's China policy — a shift that enjoys bipartisan support in the United States. This shift will outlast the Trump presidency. As the investor and philanthropist George Soros put it in his September 2019 op-ed, "The

¹⁶ Ash Carter, "Reflections on American Grand Strategy in Asia," Belfer Center for Science and International Affairs, Harvard University, October 2018, <https://www.belfercenter.org/publication/reflections-american-grand-strategy-asia#5>.

greatest—and perhaps only—foreign policy accomplishment of the Trump administration has been the development of a coherent and genuinely bipartisan policy toward Xi Jinping’s China.”¹⁷

As the House of Representatives’ vote along party lines to impeach Trump underscored, Washington is more polarized and divided than ever before. So, it is highly significant that, in this toxic environment, a bipartisan consensus has emerged that the decades-old U.S. policy of “constructive engagement” with China has failed and must give way to active and concrete counteraction.

Future of the U.S.-led “free and open” Indo-Pacific strategy

Today, it has become imperative to build a pluralistic, rules-based Indo-Pacific order, free of coercion and open to unhindered freedoms of navigation and overflight. This is what the U.S.-led “free and open Indo-Pacific” strategy aims to do. With the global center of gravity shifting to the Indo-Pacific, the region holds the key to the future of American power.

The new U.S. policy approach relies on a core group of democracies called “the Quad,” which, besides America, includes India, Japan and Australia. The elevation of the Quad dialogue to the foreign ministers’ level in September 2019 represented a milestone.¹⁸ While there is no intent to turn it into a military grouping, the Quad as a maritime initiative for strategic cooperation and coordination has become a reality at a time when the Indo-Pacific is witnessing sharpening maritime competition.

Washington’s Indo-Pacific strategy, however, still lacks strategic content. The Trump administration has defined the objectives, especially building a rules-based and democratic-led regional order, but is still searching for the effective means to achieve the ends. The same issue plagues the Quad, which, U.S. Secretary of State Mike Pompeo has contended, aims to ensure that “China retains only its proper place in the world.”¹⁹

Despite such talk, the Trump administration has placed strategic issues on the backburner while prioritizing bilateral trade deals, with friends and foes. There is a real risk that Trump’s Indo-Pacific strategy, like Obama’s “pivot” to Asia, could fail to gain traction.

¹⁷ George Soros, “Will Trump Sell Out the U.S. on Huawei?,” *Wall Street Journal*, September 9, 2019.

¹⁸ Jason Scott and Isabel Reynolds, “Indo-Pacific Ministers Elevate Security Talks That Irk China,” *Bloomberg*, September 26, 2019.

¹⁹ U.S. Secretary of State Michael R. Pompeo, “Trump Administration Diplomacy: The Untold Story,” Speech at the Heritage Foundation President’s Club Meeting, Washington, DC, October 22, 2019, transcript published by the Department of State, <https://www.state.gov/trump-administration-diplomacy-the-untold-story/>.

Without a clear strategy behind it, a “free and open Indo-Pacific” will remain just an attractive catchphrase. The U.S.-led approach, for example, has not tamed China’s territorial and maritime revisionism. China has changed South China Sea’s geopolitical map without firing a single shot and incurring any international costs. The term Trump used to describe Obama’s approach to the South China Sea, “impotent,” has come to reflect his own failure to halt Chinese expansionism there. The stepped-up US freedom-of-navigation operations, or FONOPs, in the South China Sea neither deter China nor reassure US allies in the region.²⁰

In fact, the single biggest challenge to the “free and open Indo-Pacific” strategy relates specifically to the South China Sea. The South China Sea is a highly strategic corridor that connects the Indian and Pacific oceans. But, in the absence of a strategy on how to deal with the changing status quo there, the South China Sea constitutes a missing link in America’s larger Indo-Pacific strategy.

To be sure, the South China Sea poses a difficult challenge. How can the U.S., at this stage, undo what China has done in the South China Sea? Yet the need for Washington to evolve a clear strategy on the South China Sea is underlined by the fact that this corridor is central to a truly “free and open” Indo-Pacific. How can the Indo-Pacific be free and open if its most-important sea corridor is neither free nor open?

With its new perch in the South China Sea, China is better positioned to not only sustain air and sea patrols in the region, but also to advance its strategy of power projection across the Indian Ocean and the western Pacific. The biggest casualty of China’s new foothold has been the region’s marine ecosystem, especially coral reefs, which teem with life and supply larvae for Asia’s all-important fisheries. The international arbitral tribunal, which in 2016 rejected China’s claim to sovereignty over much of the South China Sea, found that island building had caused “devastating and long-lasting damage to the marine environment.” China has acknowledged the widespread destruction of coral reefs and the poaching of sea turtles in the South China Sea. The environmental and geopolitical toll of China’s territorial grab is set to rise.

Against this background, while seeking to capitalize on Beijing’s muscular and predatory practices to advance its own interests and influence, the U.S. essentially hews to a cautious policy on China. With the U.S. imposing no sanctions, China has escaped scot-free over its South China Sea aggression. Or take China’s gulag policy in Xinjiang, where more than a million Muslims have been detained in the largest mass incarceration of people on religious grounds in the post-Nazi period. Despite a bipartisan U.S. commission recommending sanctions in August 2018, the Trump administration dragged its feet for over a year before slapping export restrictions on some Chinese entities and

²⁰ Eleanor Freund, “Freedom of Navigation in the South China Sea: A Practical Guide,” Belfer Center for Science and International Affairs, Harvard University, June 2017, <https://www.belfercenter.org/publication/freedom-navigation-south-china-sea-practical-guide>.

visa curbs on a few Chinese officials linked to the internment camps — actions that Beijing has scoffed at.^{2 1} These weak sanctions cannot compel Beijing to change course.

U.S. caution is also apparent in implementing two new domestic laws — the Taiwan Travel Act and the Reciprocal Access to Tibet Act^{2 2} — whose enactment in 2018 signaled a tougher bipartisan line toward China. The same holds true of the Hong Kong Human Rights and Democracy Act of 2019 and the Taiwan Assurance Act of 2019 (which seeks to deter Beijing’s poaching of Taiwan’s diplomatic allies).^{2 3} In fact, as the U.S. Congress was in the process of approving the 2019 Hong Kong and Taiwan bills, Chinese President Xi Jinping warned that anyone attempting to “split China” would end up with “crushed bodies and shattered bones.”^{2 4}

The Trump administration aims to primarily employ economic levers to rein in China, including through a gradual decoupling of the U.S. and Chinese economies in key sectors. China has relied on large trade surpluses and foreign-exchange reserves to fund its expanding global footprint, with surging exports fueling domestic growth. But the U.S. pushback threatens to undercut China’s ability to mobilize vast state funds in pursuit of its ambitions — an advantage the U.S. cannot match because it must rely on drawing private funds. Thanks to American tariffs, the fall in Chinese exports to the U.S. has accelerated, thereby accentuating China’s economic slowdown.^{2 5}

However, the Trump administration must also employ strategic levers, or else it will struggle to expand or reinforce America’s Indo-Pacific partnerships. Indeed, its present

^{2 1} Congressional-Executive Commission on China, “Chairs Lead Bipartisan Letter Urging Administration to Sanction Chinese Officials Complicit in Xinjiang Abuses,” August 29, 2018, <https://www.cecc.gov/media-center/press-releases/chairs-lead-bipartisan-letter-urging-administration-to-sanction-chinese>,

^{2 2} *H.R.535 - Taiwan Travel Act*, 115th Congress (2017-2018), <https://www.congress.gov/bill/115th-congress/house-bill/535/text>; and *H.R.1872 - Reciprocal Access to Tibet Act of 2018*, 115th Congress (2017-2018), <https://www.congress.gov/bill/115th-congress/house-bill/1872>.

^{2 3} *H.R.3289 - Hong Kong Human Rights and Democracy Act of 2019*, 116th Congress (2019-2020), <https://www.congress.gov/bill/116th-congress/house-bill/3289>; and *H.R.2002 - Taiwan Assurance Act of 2019*, 116th Congress (2019-2020), <https://www.congress.gov/bill/116th-congress/house-bill/2002>.

^{2 4} CNBC, “China’s Xi warns attempts to divide China will end in ‘shattered bones’,” October 14, 2019, <https://www.cnbc.com/2019/10/14/chinas-xi-warns-attempts-to-divide-china-will-end-in-shattered-bones.html>.

^{2 5} *Wall Street Journal*, “China’s U.S. Exports Tumble as Tariffs Bite,” October 14, 2019.

approach, coupled with its unpredictability, is encouraging U.S. allies to hedge their bets. This gives Chinese President Xi Jinping strategic space to pursue a neo-imperialist agenda.

Japan, seeking to mend strained ties with China, has quietly dropped the term “strategy” from its policy vision of a “free and open Indo-Pacific.”^{2 6} In fact, the U.S. itself now refers to a “free and open Indo-Pacific” as a vision, not a strategy.^{2 7} Australia, whose economic prosperity is linked to China, with which it has forged a “comprehensive strategic partnership,” does not wish (like South Korea or Singapore) to be in a situation where it has to choose between Washington and Beijing.^{2 8}

The Australian hedging was apparent from the July 2018 joint statement that emerged from the Australia-US ministerial (AUSMIN) consultations. The statement said the two sides “made clear their commitment to work together — and with partners — to shape an Indo-Pacific that is open, inclusive, prosperous, and rules-based.”^{2 9} The reference to an “open, inclusive, prosperous, and rules-based” region — not “free and open” — was significant. However, the U.S., after skipping the phrase “free and open Indo-Pacific” in the joint statement with Australia, quickly returned to that expression, with Secretary of State Mike Pompeo explaining in a July 30, 2018, speech in Washington what a “free” and “open” Indo-Pacific actually means for U.S. policy.^{3 0}

The fourth Quad member, India, hosted Xi at Mamallapuram in October 2019 as part of Prime Minister Narendra Modi’s effort to “reset” ties with Beijing. However, India has unequivocally embraced the phrase “free and open” for the Indo-Pacific. For example, Modi, in his keynote address at the 2018 Shangri-La Dialogue, said that India “stands for a free, open, inclusive region, which embraces us all in a common pursuit of progress and

^{2 6} Japan’s Ministry of Foreign Affairs (MOFA), “Free and open Indo-Pacific,” undated, <https://www.mofa.go.jp/files/000430632.pdf>.

^{2 7} See, for example, Department of State, “A Free and open Indo-Pacific: Advancing a Shared Vision,” November 4, 2019, <https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>.

^{2 8} Australia’s Department of Foreign Affairs and Trade (DFAT), “China Country Brief,” undated, <https://dfat.gov.au/geo/china/Pages/china-country-brief.aspx>.

^{2 9} “Joint Statement: Australia-U.S. Ministerial Consultations 2018,” available at: <https://au.usembassy.gov/joint-statement-australia-u-s-ministerial-consultations-2018/>.

^{3 0} U.S. Secretary of State Mike Pompeo, “Remarks: Secretary Pompeo,” Department of State, July 2018, <https://www.state.gov/secretary/remarks/2018/07/284722.htm>.

prosperity.”^{3 1} India has also been including the “free and open” phrase with respect to the Indo-Pacific in joint statements with willing strategic partners. For instance, India, which forms the world’s second-largest peninsula, and Indonesia, the world’s largest archipelagic state, identified in 2018 a shared vision for “a free, open, transparent, rules-based, peaceful, prosperous and inclusive Indo-Pacific region.”^{3 2} As the U.S. Deputy Assistant Secretary of State for East Asian and Pacific Affairs, Alex Wong, put it in 2018: “India as a nation has invested in a free and open order ... India for sure has the capability and potential to play a more weighty role.”

Looking ahead

The imperative in the Indo-Pacific today is to build a new strategic equilibrium pivoted on a stable balance of power. A constellation of likeminded states linked by interlocking strategic cooperation has become critical to help build such equilibrium.

The Australia-India-Japan-U.S. “Quad” has attracted a lot of attention. It has been labeled a maritime “quad” of democracies. But has the Quad lived up to its promise? The institutionalization of the Quad has yet to take off. It has yet to acquire strategic content. The Quad can acquire strategic content once its goals, and the means to achieve them, are clarified.

A Quad in a military sense, of course, is not in the making. In fact, its four members have not attempted to turn it into a military initiative. But the Quad as a maritime initiative for strategic cooperation and coordination is already a reality. In a regional crisis or conflict, the Quad members are expected to coordinate their approaches. The Quad members need to build broader collaboration with other important players in the Indo-Pacific and also with strategically located smaller countries. Such collaboration and coordination can contribute toward creating a “free and open Indo-Pacific.”

The U.S., for its part, must provide strategic heft to its Indo-Pacific policy if it is to yield meaningful results. It also needs a clearer strategy on how to stem the China-driven changing status quo in the South China Sea. Vietnam, for example, seems skeptical of the U.S. readiness to halt Chinese expansionism. If the U.S. giant ExxonMobil exits Vietnam’s largest gas project at a time when China is seeking to exclude extra-regional

^{3 1} Indian Prime Minister Narendra Modi, “Prime Minister’s Keynote Address at Shangri La Dialogue (June 1, 2018),” text released by India’s Ministry of External Affairs, <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>.

^{3 2} India’s Ministry of External Affairs, “Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific,” May 30, 2018, available at: https://mea.gov.in/bilateral-documents.htm?dtl/29933/Shared_Vision_of_IndiaIndonesia_Maritime_Cooperation_in_the_IndoPacific.

energy firms from the South China Sea, American credibility will suffer. Without U.S. leadership and resolve, a credible counter to Chinese expansionism will never be convincing.

Threats to navigation and maritime freedoms in the Indo-Pacific can be countered only through adherence to international rules by all parties, along with monitoring and enforcement of the rules. This is a tall order, given the fact that great powers comply with international law only so long as it does not conflict with their perceived interest. And when it does conflict, international law is treated as if it applies only to weaker states.

Progress on establishing an inclusive, pluralistic, rules-based order in the Indo-Pacific is linked to addressing the regional imperative for strategic equilibrium and regional stability. Playing by international rules and not seeking to redraw borders in blood are central to peace and security.