

Adjusting to the Rise of New Powers: An Opinion from India

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THE TWO THINGS THAT LEADERS IN THE ASIA-PACIFIC REGION WISH TO HEAR AND SEE FROM PRESIDENT-ELECT TRUMP are an assurance that the United States will continue to provide and underwrite security in the Asia-Pacific and that it will remain a benign hegemon, opening its economy to friends and allies. Without this confidence, Asian leaders could turn to other expedients, and to China, for the prosperity and security they seek.

The greatest strategic challenge confronting leaders in the region is whether the United States and China will be able to resolve their strategic competition and arrive at a new equilibrium peacefully. No Asia-Pacific country wants to have to choose between the United States and China. During the past two centuries, the United States has had a proven record in the region as a benign hegemon. China does not. But over the past decade, U.S. presence and attention have been sporadic, and since 2008, U.S. willingness to open its markets and lead the economies of the region has been in question.

Two steps that would rapidly change this impression and provide reassurance to America's Asia-Pacific neighbors would be:

- **For the United States to take its “pivot” further by suggesting a set of practical security measures for the region—such as confidence-building mechanisms; crisis management institutions; or dialogue mechanisms on maritime security, cyber security, and military doctrines and deployments.** This could be done through the East Asia Summit (EAS), jointly with all the countries of the Asia-Pacific that are willing to participate.
- **To open up the proposed Trans-Pacific Partnership (TPP) to other states and to renegotiation to make it a more inclusive trading arrangement rather than a smaller regional alternative with different standards from the globally agreed-upon ones.** Through this step, the United States could help make the TPP an arrangement that trades *up* to a globalized economy rather than *down* to U.S. special interests.

Why are these two steps the most urgent? Because, for the first time in several generations, there is a real possibility that issues of peace and security could threaten the phenomenal economic achievements of the Asia-Pacific region.

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Today, we have seen the rekindling of maritime and territorial disputes in the South China Sea, the East China Sea, and other areas; we see increasing military buildups and arms races; we see the rise of ultra-nationalism fueled by economic and political uncertainty; and we

see an absence of effective institutions or habits of cooperation that have enabled other regions to cope with increasing geopolitical uncertainty. The global commons in outer space, cyber space, and the high seas are increasingly contested. Rapid shifts in the balance of power, resulting from the simultaneous rise of several powers, led by China, have created a crowded geopolitical environment. The Democratic Republic of Korea's nuclear weapons program threatens to have consequences well beyond the Korean peninsula. Further complicating these challenges is the overlay of Sino-U.S. strategic contention, which makes this evolving situation of increasing unease and insecurity more difficult to manage.

The question now facing the United States and others is how to ameliorate this insecurity. The existing security architecture based on the U.S. hub-and-spoke model can no longer ensure security, as rising powers seek to adjust the order to accommodate their own expanding interests. It therefore behooves the United States, as the predominant power that has underwritten security in the region for more than four decades, to take the initiative to address these issues by building a new workable architecture—on both the economic and security fronts. The suggested initiatives presented earlier would be important steps toward this goal. Given the new distribution of power in the region, the presence and participation of all the other major powers in this crowded area will be essential to the architecture's success. Hence the suggestion that any new dialogues or agreements be inclusive, and open to all the countries of the region that wish to participate.

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Importantly, any new initiatives the United States pursues cannot be based on freezing the status quo, or “strategic stability,” for that is precisely what the rising powers wish to change. Fortunately, none of them has an alternative order to propose. India and China are among the greatest beneficiaries of the open, liberal trading and investment environment that flourished before the crisis of 2008. They now see the TPP and the U.S. pivot as changing the rules of play of that order, and potentially fragmenting the globalized market that benefits them. Given their interest in adjusting and preserving the open order, a genuine effort to create an inclusive order that gives them a greater say and addresses the major security challenges would certainly improve the security climate in the region, serve the interests of the major global trading powers, and progress common goals.

Such initiatives will not result in a new order immediately; but by taking steps to address the real issues, they would certainly ameliorate the present climate of uncertainty. I would therefore suggest that any new security dialogues address military doctrines and postures, cyber security, and maritime security, all of which are crucial to the world's major trading powers that are parties to the EAS.

These initiatives are necessary because the Obama administration's pivot to Asia, while laudable in intent and welcomed by most countries in the region, with the exception of China and the DPRK, has been under-resourced. It has also failed to convince Asian observers in the face of the U.S. obsession with the Middle East—a region with little to contribute to U.S. interests in the global order, or to global economic growth, or to peace and security in parts of the world that are far more consequential to U.S. interests.

These proposed steps would carry conviction if President-elect Trump were to personally announce them in the first days of the administration and if his first visit abroad were to friends and allies in the Asia-Pacific region. Asia-Pacific leaders will closely watch U.S. actions in the early days of the administration, including U.S. policy on issues such as the defense budget and military deployments, the South China Sea issue, and the DPRK's nuclear program, to judge whether there is indeed a new wind in Washington. As Asians, they are unlikely to express their opinions publicly but will display their beliefs about U.S. credibility and determination in their dealings with China and each other.

The coming years will not be easy for a new Trump administration looking to preserve U.S. credibility and leadership. Mr. Trump will find a less congenial atmosphere abroad for U.S. leadership, partic-

ularly in terms of the ideas and values that have been the professed basis of U.S. policy for many years. Today, the Asia-Pacific, like Europe, is mostly led by conservative, authoritarian leaders who project strength and rely increasingly on a stronger version of nationalism for domestic legitimacy and appeal. This is true of Japan, China, India, and others. In several countries, liberal values and institutions are under attack. While this phenomenon is primarily driven by domestic factors, it has also been facilitated by the U.S. absence from the region's concerns, righted to some extent in the last few years of the Obama administration. As a result, U.S. leaders will have to contend with a new wave of ultra-nationalism and find economic and security solutions attractive to the new, more aspirational, younger generation that will determine domestic politics in the Asia-Pacific for some years to come.

There are, nonetheless, bright spots in the strategic environment. For New Delhi, relations with the United States are better than they have ever been. India-U.S. strategic congruence is playing out in joint efforts in maritime security, defense cooperation, counterterrorism, intelligence sharing, and other areas. India shares the U.S. interest in a predictable, rules-based international order, which can provide the security and assurance that India's transformation requires. This strategic parallelism will grow in Prime Minister Modi's remaining two years in office, particularly to India's east, as its relations with China become less predictable, and the Modi government builds on what it calls its "Act East" policy. India and the United States have a common interest in working together with partners such as Japan to build security and connectivity between South and Southeast Asia, and on maritime security in the waters from the Indian Ocean to the Pacific.

The picture is, however, more complicated to India's west. Doubts remain in India regarding the U.S. role in Pakistan and the cross-border terrorism that country sponsors, stability in Iran and the Gulf, and the rise of the Sunni Arab coalition and its ambivalent role vis-à-vis ISIS. For India, with its domestic sensitivities, these are as much matters of domestic policy as they are of external policy. It remains for India and the United States to build a meaningful partnership on these issues.

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Looking ahead, the areas of the bilateral relationship with the most unrealized potential, which could become either sources of friction or the next great success stories, are economic—market access issues, intellectual property rights,

energy cooperation, and climate change. Here again, it is the intersection between domestic and external policy in both India and the United States that will determine success or failure. For instance, in pharmaceuticals, the United States faces a choice in its dealings with India's pharmaceutical industry—be led by special interests at home or focus on global public health interests. Logically, both India and the United States should be working together to bring affordable medicines and care to the sick at home and around the world, but it is far from clear that special interests in both countries will allow them to do so. The United States and India face similar dilemmas in many other fields, such as climate change, market access, and energy. **Today's priority therefore is for India and the United States to work out a new economic modus vivendi, which will be a challenge for two economies at very different stages of development.** Ultimately, the metric by which Indians will judge U.S. economic policies is very simple—their effect on India's transformation into a modern, industrialized economy, capable of growing at more than eight percent, creating more than eleven million new jobs a year, and maintaining social and political stability at home.

Unfortunately, Indian and U.S. domestic political cycles have not been in sync for some time, which will make managing domestic dynamics more complex. As the new U.S. administration finds its feet, India will begin its long and vigorous preparations for its own general elections in early 2019. But this has not prevented both countries from transforming their relations in the past two decades. India-U.S. relations continue to enjoy strong, bipartisan support in both countries. There is no reason to expect this to change fundamentally, unless the trajectory of domestic politics changes drastically in either country.

Overall, the glue of economic complementarity and of strategic challenges posed by the rise of China should ensure that the United States remains India's most important bilateral partner for the foreseeable future. Unless either partner decides to turn its back on the world for domestic political reasons, the India-U.S. relationship will continue to grow from strength to strength.