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China, the U.S. and a post-Covid Indo-Pacific setting

With the Covid-19 spreading devastation and future uncertainty globally, nations are continuing to come to grips with the catastrophic loss of human life, and the unprecedented damage to their economies and livelihoods. Chinese media outlet *Caixin Global* revealed that Chinese laboratories had in fact identified a mystery virus, later identified as Covid-19, to be a highly infectious new pathogen by late December 2019¹. But they were ordered to stop further testing, destroy samples, and suppress information to the fullest extent possible. The regional health official in Wuhan City, the epicenter of the pandemic, demanded the destruction of the lab samples, which established the cause of an unexplained viral pneumonia since January 1, 2020².

China did not acknowledge that there was human-to-human transmission until more than three weeks later. *Caixin Global* went on to provide the clearest evidence of the scale of this fatal cover-up in the very crucial early weeks, when the opportunity was lost to control the outbreak – a contagion that has spread throughout the world thereafter, and has caused a global shutdown, literally, destroying humanity and economies. Further, the role of the World Health Organization (WHO) needs to be investigated. Questions loom large as to upon whose behest did the WHO delay issuing warnings about human-to-human transmission of the coronavirus to the world?

The pandemic has severely damaged world economies, with international financial organizations forecasting a worldwide recession. In the post-Covid-19 world, many European countries, Japan

¹ For details in the *Caixin* report see Gao Yu, Peng Yanfeng, Yang Rui, Feng Yuding *et al.*, "[In Depth: How Early Signs of a SARS-Like Virus were Spotted, Spread, and Throttled](#)," *Caixin*, February 29, 2020.

² *Ibid.*

and India will have to rethink and review their respective economic and trade policies and strive to eliminate dependence on a single source of supply in vital areas. World leaders have begun assessing the possible contours and fallouts of the post-Covid-19 world. In specific reference to the Indo-Pacific region, the 2020 pandemic has given rise to a situation that calls for a new ocean and security agenda to be developed that would aspire to devise strategies to boost economic development while protecting the security environment of the Indo-Pacific nations. Partner nations and multinational maritime constructs need to engage to develop comprehensive maritime domain awareness with an intention that these collaborative endeavors shall aid in securing global commons.

The Covid-19 phase is reshaping the geostrategic landscape in the Indo-Pacific with dramatic consequences. While the rest of the world is combating Covid-19, Beijing's relentless actions of late are emitting signals of its ambition to dominate the Indo-Pacific. In April, Chinese Navy warships sank a Vietnamese fishing boat near Fulin Island. Thereafter, the PLA's Air Force undertook a 36-hour combat-oriented exercise near Taiwan and, the same day, its Navy Air Force aircraft flew through international airspace between the Japanese islands of Okinawa and Miyako in the East China Sea. Days later, China's Air Force conducted a long-range military drill with multiple types of aircraft which passed through the Bashi Channel, a strategic waterway between the Philippines and the Taiwanese island of Orchid, connecting the South China Sea with the western Pacific Ocean. And during this span, the PLA's Rocket Force in Tibet has carried out multiple 'live fire' exercises and drills.

In a latest build-up, China's PLA has mobilized four of its military theatre commands (out of a total five) with reported live firing drills and exercises from the East China Sea, the Yellow Sea to the South China Sea. The *Nikkei Asian Review* has reported that the PLA has mobilized its Southern Theatre Command overseeing the South China Sea, the Northern Theatre Command overseeing the Korean Peninsula, and the Eastern Theatre Command overseeing Japan and Taiwan. The *Nikkei* report argued that just as China annexed Tibet in the 1950s against the backdrop of intervening in the Korean War, the present mobilization was a distraction for a real stand-off in the Karakoram-Zaskar ranges of Himalayas with India³. China has signaled adept preparation by deploying three military commands against the US, from South China, to the East China Sea, by test firing both DF-26 also called Chinese' Guam Killer and DF-21D known as the Carrier Killer intermediate-range ballistic missiles⁴.

The geo-strategic and military maneuvers displayed in the past six months undertaken by China showcase Beijing's endless pursuit of *status quo* revisionism in all its existing territorial disputes, from the East China Sea to the South China Sea and now the Himalayan borderlands. This is just a reminder that the 21st-century Asian political geography shall continue to be shaped, and reshaped, by Beijing's cartographic subjectivity.

Summer-autumn 2020 and the Sino-Indian border situation

India is facing an increasingly aggressive and destabilizing China in its border regions. The night of June 15 crossing over to the 16th in India's eastern Ladakh border region changed a lot, permanently. It changed the basis of China-India relations. It changed the perception that China's territorial expansionism had certain limitations. China's relations with India are unlikely

³ *Nikkei Asian Review* report cited in "PLA Opens Three Fronts in South China Sea to Distract the World from Ladakh," *Hindustan Times*, September 20, 2020.

⁴ *Ibid.*

to be the same again in the wake of the unprecedented developments in the land border areas. The Galwan Valley clash is the worst in nearly five decades along the Sino-Indian border and has put a loud question mark on China's "peaceful rise" slogan (*heping jueqi*) introduced by Zheng Bijian in November 2003.

Refusing to de-escalate the military situation in India's eastern Ladakh, China has created a "Red Version" of its border with India in this sector and managed to force down on India an involuntarily change of *status quo* along the lines of Depsang, Galwan, Hot Springs, Gogra, and Pangong Tso⁵. India needs to be extremely wary of these fresh claims and claim-lines, which are just the beginning of linkages to China's historical thinking and strategy. Recall when Chairman Mao Zedong professed the 'Five Fingers' strategy following Tibet's annexation, stating "*Tibet is the palm, which we must occupy, then, we will go after the five fingers.*" The first among these fingers is Ladakh, followed by Nepal, Bhutan, Sikkim and Arunachal Pradesh⁶. Given the political and spiritual significance of the Tawang Monastery, seizing control of Tawang remains an unfinished agenda of China's Tibet annexation⁷.

Whilst the territorial and border conflict continues to escalate, the economic dependence on China remains the bitter certainty that India is dealing with in reality. The economies of China and India have become increasingly entwined during the past two decades, though their political relationship has been plagued by entrenched friction points, especially ill-defined borders⁸. The latest case-in-point being the June 15-16 Galwan Valley violent standoff, when on June 19, India signed a loan agreement with the Beijing-based and proposed Asian Infrastructure Investment Bank (AIIB) worth \$750 million, the details of which were confirmed in a written statement by India's deputy Finance Minister in the Parliament. "*The government of India has signed two loan agreements with the AIIB... all beneficiaries covered under PMGKY (Prime Minister's Welfare Scheme for the Poor) are benefitted from this loan,*" it said.

The AIIB is a multilateral bank with a membership of 103 members that began operations in January 2016 after China's proposal and initiative was launched at Beijing in 2014. As of July 2020, AIIB (China being the largest shareholder with a 26.61 percent voting share) is looking to provide loans worth \$3 billion for various infrastructure projects in India, including Rapid Rail, Metro Rail and Peripheral Road projects over 2021⁹. India is the largest borrower, accounting for 25 percent of the total lending by the Beijing-based AIIB. Since its inception, AIIB has approved loans close to \$4.3 billion across 17 projects in India¹⁰.

India's Ministry of External Affairs has reiterated time and again that it cannot be business as usual in the face of China's repeated unilateral border aggression that has crossed several red lines in the past few months. This statement notwithstanding, India refuses to categorically label China as the unilateral aggressor in official statements, and seemingly continues financial transactions in the form of the aforementioned loans is high time for India to raise the costs for China before the unilateral *status quo* revision undertaken by Beijing in the border regions becomes permanent to a point of no return.

⁵ For further details see Monika Chansoria, "[Is Tawang, Home of Tibetan Buddhism's 2nd Largest Monastery, China's Next Territorial Target in India?](#)," *Japan Forward*, August 10, 2020.

⁶ *Ibid.*

⁷ Monika Chansoria cited in Matt Wade's border disputes' explainer [report](#), *Brisbane Times*, September 22, 2020.

⁸ *Ibid.*

⁹ Report, "AIIB to Step up Lending in India; Plans to Approve Loans worth \$3 billion in next 12 Months," *Financial Express*, July 30, 2020.

¹⁰ For details see "AIIB to Step up Lending in India; Plans to Approve Loans worth USD 3 billion in next 12 Months," *The Economic Times*, July 30, 2020.

Pakistan, Nepal, and the changing South Asian land border milieu

All along, India's neighborhood also appears to be swiftly drifting towards weighing economic and strategic benefits in comparison to the traditional ties that existed in South Asia. As it turns out, the Chinese summer 2020 offensive is rooted in enhanced interactivity between politico-military-strategic and operational issues, by virtue of the China-Pakistan Economic Corridor (CPEC), which is an integral part of China's grandiose Belt & Road Initiative (BRI) that seeks to consolidate the China-Pakistan strategic relationship. The CPEC corridor comes off as the latest variant of the longstanding China-Pakistan partnership and collusion¹¹.

Launched in 2015, the CPEC runs through Pakistan in a linear fashion, linking northwestern China to southern Pakistan's Arabian Sea coastline through a network of roads, rail, and pipelines. Upgrades to the CPEC, and the latest inching forward well inside the Indian perceived Line of Actual Control (LAC) by the PLA in Ladakh, are critical indicators of China's intentions to consolidate territorial control¹². The CPEC begins in Kashgar (China) and subsequently passes through the 1,300-kilometer-long Karakoram Highway (Pakistan's National Highway 35/N35), with 887 kilometers falling inside Pakistan and 413 kilometers inside China. Heavy infrastructure investments in and around the Karakoram Highway have rendered China integral to the changing realities of the Southern Asia deterrence framework¹³. The spate of these developments with China is adding newer variables to the regional deterrence milieu. Recurring Chinese transgressions in the border areas in India's northeastern and western theaters are part of a plausible military strategy to keep both fronts concurrently active in order to build pressure on India. This advertently places the existing deterrence equations in South Asia under considerable strain¹⁴.

On the other hand, the case of Himalayan nation Nepal and its fast deteriorating ties with India have caused much concern. China's involvement in Nepal's domestic politics has ensured that KP Oli continues as Prime Minister, especially when Oli faced severe political opposition domestically. It was at that time that Chinese ambassador to Nepal, Hou Yanqi, canvassed her connections in Nepal's political parties, and rather unusually, none other than Chinese President Xi Jinping is reported to have interceded with a 40-minute telephone conversation with Nepalese President, Bidhya Devi Bhandari, and they jointly managed a fresh lease of life for Oli as PM¹⁵. To stabilize his position, and perhaps payback China, Oli chose to raise an amendment bill to include some territories in Nepal's official map and emblem without choosing to discuss the matter with India prior to moving his proposal¹⁶. The timing of raising the issue was peculiar in that India was reeling under the Covid-19 pandemic.

Soon thereafter, Nepal was quick to establish posts along the India-Nepal border. Within days, reports surfaced that Nepal, for the first time in seventy years, had deployed a number of army personnel at these posts and built a helipad and tents on the India-Nepal border¹⁷. China's focus on Nepal primarily centers on securing Tibet and keeping the Tibetans-in-exile who reside in

¹¹ For further reading see Monika Chansoria, "[China's Border Intrusion in Ladakh is Strategic, Territorial Revisionism](#)," *Japan Forward*, June 2, 2020.

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ For more details see Jayadeva Ranade, "[Nepal Plays into China's Hands](#)," *The Tribune*, June 30, 2020.

¹⁶ *Ibid.*

¹⁷ *Ibid.*

Nepal under heavy surveillance and check. By 2005, Beijing increased financial assistance to Nepal and allowed duty-free access to 500 goods. Its telecom companies Huawei and ZTE have secured contracts for setting up mobile networks throughout Nepal¹⁸.

The elevated levels of Sino-Nepal interaction were demonstrated with the rather unusual June 19 seminar held at Lhasa in the presence of high-level officials from Beijing and Nepal to discuss “How to rule and govern a country”¹⁹. Attending this meeting were Song Tao, Minister of the Chinese Communist Party (CCP) Central Committee’s International Department; Guo Yezhou, Deputy Minister of China’s Ministry of Foreign Affairs; Ishowara Pokrel, Nepal’s Minister of Defense; Prachanda, former Prime Minister of Nepal; Wu Yingjie, Party Secretary of the Tibet Autonomous Region (TAR) and Director of TAR Foreign Affairs Committee; and Che Dalha, Chairman of TAR People’s Government. Interestingly, two years prior, in June 2018, Nepal PM Oli’s five-day visit to China was under much spotlight wherein projects under the Belt & Road Initiative figured prominently on the agenda²⁰.

Future security and multilateralism in the Indo-Pacific

The Covid-19 phase has witnessed US Secretary of State Mike Pompeo being unequivocal on China’s communist ideology being a threat, and on the US sanctions on specific Chinese Communist Party officials involved in formulating, or implementing, harsh repressive policies against Hong Kong and the Uyghur minority in the restive Xinjiang Uyghur Autonomous Region in northwest China. Besides, it is being expected that Confucius institutes will be shut down by the year’s end across the US – a move likely to bear a major impact on China’s propaganda and influence operations²¹. China has spent approximately \$2.17 billion on developing these Confucius centers between 2006 and 2016 and had hoped to expand the number of Confucius institutes from 525 in 146 countries to 1,000 by 2020²².

With their strong economies and advantage in advanced technologies, the United States and the West particularly have to ensure any foreshadowing changes in the global balance of power, since that could imply an ostensible China-dominated and controlled world order that will yield potential undesirable consequences for governments that uphold individual freedoms, liberties, rights and social values as foremost guarantees of their respective constitutions.

Geographically, the heart of the Indo-Pacific lies in the Indian Ocean Region (IOR), whose native countries share similar challenges and opportunities by virtue of their strategic location, access to limitless unexploited maritime resources, vulnerability to natural disasters, political instability, and rising challenges from revisionist powers that seek to drive and establish an economic and politico-security dominant Asian architecture. The Indian Ocean is the third largest ocean woven together by trade routes, commanding control of major sea lanes carrying half of the world’s container ships, one third of the world’s bulk cargo traffic, and two thirds of global oil shipments. Home to nearly 2.7 billion people, the Indian Ocean Region is divided into a number of diverse sub-regions, namely Australasia, Southeast Asia, South Asia, West Asia and

¹⁸ *Ibid.*

¹⁹ *Ibid.*

²⁰ As cited in [“Nepal PM Oli to Visit China from June 19 May Sign Pacts under Belt and Road Initiative,” Hindustan Times](#), June 13, 2018.

²¹ Status on the future of Confucius institutes cited in [“Pompeo Hopeful China’s Confucius Institutes will be Gone from U.S. by Year-end,” Reuters](#), September 2, 2020.

²² Report, “Confucius Institutes: The Growth of China’s Controversial Cultural Branch,” *BBC News*, September 7, 2019.

Eastern and Southern Africa, which are bound together by the Indian Ocean. In this backdrop, the strategic node of the Indian Ocean becomes even more crucial. India's policy catchphrase for the region is "SAGAR" (literally meaning ocean) that stands for "Security and Growth for All".

The powers that shall likely dominate the Indian Ocean will eventually control entire Asia. Given the severe diversity and differences between countries that are bound together by the Indian Ocean, the need to promote sustained growth and balanced development in the region through regional economic cooperation becomes far more pronounced. The disparity in the capacities of the IOR states is a challenge that needs to be addressed through institutionalized cooperation between prominent stakeholders that are well placed to help lesser developed IOR countries work on sustainably developing maritime resources, including traditional industries such as fisheries, shipping, or ports, as well as newer industries, including aquaculture, renewable energies.

Multilateral regional endeavors by liberal democracies with similar perspectives and approaches to the rule of international law would remain crucial in their respective partnerships with the IOR littoral states, aimed at capacity-building, developing infrastructure and contributing to the sustainable development of the regions. Besides, securitization of the sea lines of communication (SLOC) is a primary driver to build upon security and economic partnerships with potential strategic partners across the Indian Ocean Region.

If states are characterized only by interests and strategies, cooperative outcomes are unlikely to occur. A shared understanding regarding the rules of the game, the nature of permissible plays, the linkages between choices and outcomes, and the nature of agents involved remains an important prerequisite. Socially defined states, operating within given institutional sites, engage in behavior, which is both competitive and cooperative. Liberal democracies holding vital stakes in Asia and its future geopolitical and economic order should not let go of the solid foundations and convergences at the strategic level for greater leverage and say in the future security design of Asia by undertaking flexible decisions based on maritime border variables in order to achieve strategic deliverables, multilaterally. The commonality of goals such as strengthening multilateralism, protecting an international maritime order based on law, and international development cooperation (scientific and technological) need to be highlighted as priority areas. Multilateral initiatives shall likely propel growth, and investment through capacity-building will pave way for better integration of the IOR, Indo-Pacific, and its stakeholders, and will further advance sustainable development by addressing development challenges including those identified in the 2030 Agenda, the Paris Agreement and the 2015 Addis Ababa Action Agenda.

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