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**Theme: India's relations with the US and European powers in the emerging Indo-Pacific dynamics:  
Strategising in time to Counter China**

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*... India's Relations with the United States and Europe in the emerging dynamics of the Indo Pacific and the imperative of strategizing in time to counter China has to be seen in the context of Europe's outreach to the Indo Pacific against the backdrop of what is taking place in the Ukraine as also in a realistic commitment of resources to protect vital security interests. "Putin's war in Ukraine is clearly a historic turning point with far reaching global implications that will reset the world order", Dr. Rao says stressing that conflict and trust deficit will impact investment and trade triggering a general retreat from international interdependence... enhanced European engagement is an established imperative but that the answer to whether the war in Ukraine has slowed down cooperation in the Indo Pacific cuts both ways!*

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**Introduction**

Although an independent ponderable in its own right, contextualizing Europe's outreach to the Indo Pacific with respect to the ongoing war in Ukraine provides a holistic narrative of Europe's engagement with the region, its cooperation with allies and partners like the US, India and Japan and a realistic commitment of resources to protect vital security interests in the Indo Pacific in view of heightened security expenditure back in the continent. Putin's war in Ukraine is clearly a historic turning point with far-reaching global implications that will reset the world order. Conflict and trust deficit is likely to impact investment and trade and trigger a general retreat from international interdependence, ironically at a time when the world needs interdependence to kick start a pandemic hit economy the most. Europe, especially Western Europe, is reeling under a big war that has fundamentally destroyed their security architecture after decades of stability and prosperity. And the continent (despite key divergences on tackling dependence on Russian oil and gas) has been united in the face of the Russian offensive. In this regard, the UK and the European Union, (especially France) have responded forcefully and firmly against the Russian invasion notwithstanding their own divergences over Brexit and Australia, the United Kingdom and the United States (AUKUS).

The paper takes a view that while enhanced European engagement with Indo Pacific is an established imperative, the real question is whether the Ukrainian war has slowed down cooperation in the Indo Pacific - answer to which is both - yes and no.

**Let us look first at why it has diverted the world attention away from the Indo Pacific thereby slowing down cooperation in the region**

*Firstly*, because it has shifted the focus of resources and deliberation away from US's attention on its real rival China which is also the substance behind the convergence of the four nation- Quad and similar plurilateral arrangements in the Indo- Pacific. From a rational point of view for the US, the West needs Russia against China. It is China that is the real threat to the United States and the western liberal order and not Russia which at

best is a diminishing military power. It is China that has the capabilities to challenge the US and its allies despite the sophisticated technology and the power that US has. Therefore US's predominant attention to countering Russia in Ukraine is likely to result in diverting its attention from tackling China and the strategies (like the US's Indo Pacific Policy) around that desideratum.

*Secondly*, the Ukraine war, initially, did seem to disrupt unity among Quad partners with respect to India's neutral stand on Russia. However, thanks to India's independent and pragmatic diplomacy and articulation of its vital national interests, the Quad-4 were quick to reconcile and offer statements understanding India's stand. In fact, the latest Quad joint statement of May 2022 laced with successful outcomes is testimony to that reconciliation and understanding.<sup>(i)</sup>

*Thirdly*, as European nations - alongside the US - have imposed unprecedented sanctions on Russia and stepped up military support to Ukraine, this war will further complicate the already limited ability of Europeans to play a meaningful security role elsewhere in the world.<sup>(ii)</sup> Analysts have argued that given limited resources, the current war could pontificate that a 'tilt' to the Indo-Pacific can no longer be sustained economically. However, this is an extreme position that does not stand factual analysis.

### **Now, lets us look at why the Ukrainian war has not slowed down burgeoning multilateralism in the Indo Pacific and on the contrary has provided it with an impetus**

*Firstly*, Russia's actions in Ukraine have definitely united the West. The war has made Germany taper down its energy dependence on Russia, overhauled the German approach to defence spending and is likely to see NATO's expansion in the Nordics by Sweden and Finland formally applying to join the NATO.<sup>(iii)</sup>

*Secondly*, it has also provided the much needed impetus for the Europeans to act on their strategy documents and reach out to countries like India that can prove trustworthy in protecting Europe's vital interests in the Indo Pacific. The string of high profile visits to and fro from Europe,<sup>(iv)</sup> alongside a successful 2+2 talks with the US proves that India is indeed a strategic partner and an ally for the West.

*Thirdly*, arguments have been made around the merging of the two theatres - the Euro-Atlantic and Indo-Pacific, especially if China and Russia are further drawn closer and as both regions depend on US security guarantees.<sup>(v)</sup> Tangible European involvement in the Indo-Pacific is even more crucial to avoid complacency.

Hence, following could be summarized as the West's reasons to focus on the Indo Pacific even more forcefully:

- 3/4th of World trade and 40% of the EU's trade pass through the vital Sea Lanes of Communication (SLOCs) in the Indo-Pacific.
- This region has seen a growing aggression and assertiveness by China in recent years and the freedom of navigation and upholding a rules based international order is in the interest of each player involved.
- This is where the world's biggest superpower (although weakening but still the most powerful country in the world)US's attention is focussed as proven by initiatives like the Blue Dot Network,<sup>(vi)</sup> Build Back Better world initiative,<sup>(vii)</sup> AUKUS,<sup>(viii)</sup> and the recently announced Indo Pacific Economic Framework,<sup>(ix)</sup> Indo Pacific Partnership on Maritime Domain Awareness.<sup>(x)</sup>
- It is also a region where shared democratic values aid in economic and strategic convergence.
- It is a region where the biggest economies of the west, notably, the US, UK and the other European powers, and other industrialised countries like Japan and Australia can be bound together with a very important factor in sustaining the resilience of multiple supply chain initiatives- that is TRUST.<sup>(xi)</sup>

### **Complex Crowded space of Indo- Pacific**

Indo Pacific is a space enmeshed with several policies to promote a variety of issues and counter growing challenges notably from China. This paper will be analyzing the Indo Pacific desiderata of the E-2(UK and France) and that of the EU, in growing conjunction with Japan who is also a big player in the Indo-Pacific and supports many of EU's policies in the region.

The web of policies looking at improving cooperation in the region may be analysed as follows:

### **The Focus on Indo Pacific is a Result of a Changing EU**

The EU has launched a document called the “Strategic Compass” in 2021 whose goal is “to develop a sovereign, European security strategy.”<sup>(xii)</sup> Strategic Compass is not a stand-alone act. Since 2017 the European Commission has established an EU defence Fund (EDF).<sup>(xiii)</sup> As part of the EU’s Multiannual Financial Framework (MFF), 2021–2027, the EDF is intended to financially empower the EU’s autonomy in defense technology and industry and its research and innovation capacity in future-oriented and disruptive defense technologies. The Strategic Compass and the EDF together provide the foundation for a stronger EU with policies and budget to address its security concerns, something that is reflected in its Indo- Pacific policy.<sup>(xiv)</sup>

EU’s Indo Pacific Policy (2021) sets out the EU’s intention to reinforce its strategic focus, presence and actions in this region of prime strategic importance for EU interests. The aim is to contribute to regional stability, security, prosperity and sustainable development, at a time of rising challenges and tensions in the region.<sup>(xv)</sup>

Economic push to EU’s Indo Pacific Policy rests on the EU’s Global Gateway which was introduced in December 2021 and has emerged as a cornerstone for the implementation of EU’s Indo-Pacific strategy by focussing on sustainable and trusted connections.<sup>(xvi)</sup> Together with the EU’s industrial policy which was introduced in 2020 for resilient and sustainable post-pandemic recovery, the Global Gateway aims to deepen Europe’s outreach to other regions of the world, especially the Indo Pacific.<sup>(xvii)</sup>

Add to above the recently concluded India-EU Trade and Technology Council (TTC), a strategic mechanism that will give New Delhi access to advanced technologies and allow the two sides to set standards in crucial areas such as 5G and artificial intelligence.<sup>(xviii)</sup> This is the first time India has agreed to set up such a trade and technology council with any of its partners. For the EU, it is only the second such body, following the first one set up with the US. TTC is a “strategic coordination mechanism that will allow both partners to tackle challenges at the nexus of trade, trusted technology and security, and thus deepen cooperation in these fields between the EU and India”.

It is important to note that from both sides, there is also a realisation that China is exploiting each lead to extend domestic repression and expand surveillance over other countries, which can disrupt supply chains.

### **Japan’s role in complementing the various EU policy initiatives**

Indo Pacific is also a key strategic interest for quad member Japan with its own robust Free and Open Indo Pacific (FOIP) strategy. Japan has been a long-standing investor in infrastructural development in the Indo-Pacific region through both the Asian Development Bank and joint financing with the United States. Interesting to note that it even surpasses China’s infrastructure investments in Southeast Asia with a total of \$259 billion in unfinished projects compared to China’s \$157 billion.<sup>(xix)</sup>

Therefore, as rightfully argued by analysts, as new players like the European Union (EU)—via its recently launched €300 billion Global Gateway hard and soft infrastructure connectivity strategy—look set to meet Asia’s \$22.6-\$26 trillion infrastructure needs through 2030, Japan’s role as a tech giant and a stable regional player in connectivity and infrastructure development becomes even more critical.<sup>(xx)</sup>

The European Commission (EC) has also pointed out that the Global Gateway strategy builds on the “2018 EU-Asia Connectivity Strategy” and the connectivity partnerships with Japan (2019) and India (2021).<sup>(xxi)</sup>

The above is supported by the EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure (2019) that inked Brussels’ first connectivity partnership with a third country.<sup>(xxii)</sup> Furthermore, in October 2021, the European Investment Bank (EIB), the financing arm of the EU, and Japan Bank for International Cooperation (JBIC) signed an extended MOU to strengthen co-financing opportunities in areas such as carbon neutrality and infrastructure.<sup>(xxiii)</sup>

However, for the above to harness the full potential of cooperation in the Indo Pacific, the cleavages within Europe need to be tackled first.

## **E-2 and their Internal Chasms**

Before embarking upon harnessing the full potential of the confluence of strategies and policies mentioned above, the region needs a coherent strategy to set aside their respective differences.

The real fault line in terms of resources and ambitions has been between France and the UK on the one hand, and the rest of Europe on the other.

The good news is that the new German government led by Olaf Scholz has pledged significantly more defence spending on Europe's security.<sup>(xxiv)</sup> This may allow France and the UK to free up resources to lead a European contribution to Indo-Pacific security, which makes it even more important for the two countries to resolve some of their differences.<sup>(xxv)</sup>

However, it will be a folly to assume that Germany has changed its attitude to China despite increased defence spending and willingness to confront Russia. The reasons stem from Germany's reliance on China for its manufacturing sector, especially the automobile industry. After the pandemic, the Russia- Ukraine war and now increased responsibility to cater to European security, it is reasonable to assume that Germany would be even more risk averse in the rest of the world than it was in pre-Ukraine times. Germany's support to a more militarised Europe will be calibrated and not an all-out front against Russia.

Therefore, France and the UK should have limited expectations of what other European countries, especially Germany, are now willing and able to contribute to Indo-Pacific security.

### **Setting Realistic Objectives Based on Convergences**

Despite the problems listed above, UK and France have somewhat similar strategic interests at play which differentiate them from other Indo Pacific enthusiasts in Europe like Germany whose prime driver is protecting its economy. France's case is the most pronounced one with more than 1.5 million citizens and five permanent military bases in the region which explains its direct interest in the region which will not be altered by the conflict in Ukraine.<sup>(xxvi)</sup> On the contrary, France will attempt to reiterate its grip and position in the Indo Pacific given the rising prominence of the region.

Brexit, national posturing and defence-industrial competition have been the main reasons why cooperation between UK and France has remained limited. The AUKUS agreement between Australia, UK and US has led to an almost complete breakdown in bilateral relations between France and the UK that will take time to mend.

Further, post AUKUS, it is also evident that UK is more at ease integrating with US-led security architecture in the region. But France sees its role - and the EU's - as divergent from that of UK's and aims to add value by providing regional partners with a different and less confrontational set of options in order to lower the risk of confrontation with China.

Does that mean that British and French approaches are incompatible? This paper takes the view that despite the divergences, these two approaches to Indo Pacific could be complementary as far as providing stability, security and engagement with other regional partners like Japan, India, South Korea and ASEAN countries is concerned.

### **Finding a Pareto Optimal solution**

If the E-2 are to play an increasing role in Asian security, given the wide range of challenges in that region - the time is ripe for a more structured modes vivendi.

Both France and the UK have to look for convergences and similarities in their respective statuses as global security providers, as nuclear powers and permanent members of the United Nations Security Council. Not only that, during last five years or so, they have both deepened security cooperation with key regional partners. The UK is already involved in Asian security through the Five Eyes - which could be developing intelligence sharing matrices with India and Japan already and through the Five Powers Defence Arrangements, with Australia, Malaysia, New Zealand, and Singapore.<sup>(xxvii)</sup>

There is also scope for increased intelligence sharing and a possible division of labour whereby France could focus on the south-west Pacific and the UK in south-east Asia. Together with other Europeans, particularly

Germany and the larger set of policies that the EU has been approaching the Indo-Pacific region with; France and the UK can work together in making contributions to Asian security in other ways such as capacity-building in cyber and 'lawfare' or around issues of climate security.

Here again, the role of Japan needs to be outlined as both UK and France have increased bilateral cooperation with Japan through 2+2 meetings of foreign and defence ministers, Acquisition and Cross-Servicing Agreements, and military exercises. They have also both carried out regular presence operations in the South China Sea, and the HMS Queen Elizabeth and Charles de Gaulle aircraft carriers will each deploy to the region – Pacific Ocean for the former, Indian Ocean for the latter - in 2021.

France and the UK should also go further in coordinating deployments of naval and air assets which would ensure a more 'persistent' European military presence in the Indo-Pacific.

While both France and the UK each have strong existing bilateral ties with countries in the region based on interests and histories, but what lacks is an in-depth joint assessment of their respective convergences.

Most definitely, in the current scenario and with the Russian actions in Ukraine to push them together in the backdrop of China's assertiveness to disrupt a rules based order; France (and the EU) and UK need to realise that cooperation is the Pareto optimal strategy in the Indo-Pacific engagement as time is a factor that is running out fast.

### **Conclusion**

Given the wide range of policy areas such as security, tech, economics and trade, infrastructure, and climate, and with the UK now outside of the EU, it is likely that such discussions will happen in different platforms - bilateral, EU, NATO, E3 - and must aim to be complementary.

Apart from coordinating more among themselves, Europeans also need to deepen cooperation with regional partners particularly via the Quad framework of Australia, India, Japan, and the United States, which is itself becoming a tighter group. This could ultimately lead to discussions in a Quad + E2 format or, if Germany seems prepared to go further in increasing its contribution to Asian security, a Quad + E3.

What does it mean for India?

### **India's position**

India's response to Ukraine crisis has been a good balancing act of our strategic requirements: these may be summed up thus: Developing close strategic partnership with the US and the Quad despite maintaining strong ties with Moscow given our large defence procurement (close to 60-80%) from Russia, securing India's outreach to Central Asia, maintaining our relevance in Taliban controlled Afghanistan, getting the maximum returns to North South Maritime Corridor alongside engaging Tehran, and of course balancing the China factor. India also values Russia's support at the multilateral level, especially in multilateral groups of which China is also a part, such as BRICS and the Shanghai Cooperation Organization.

But here comes the caveat: in doing all the above – the real challenge before India is to do so without giving the perception of co-opting the emerging Sino-Russian axis. India is wary of accepting an Asia that is led by China and does not share any covert ambition to change the liberal global order like the authoritarian regimes of Russia and China.

That is what India needs to convey to its western allies and especially to Europe, something that it has done rather successfully in the last three months in a careful calibrated manner that has made the Europeans reiterate their trust in India when focussing on their Indo-Pacific engagement.

Ukraine Crisis and India's dealing of it has been reiteration of our multi vector foreign policy where we need constructive engagement with major global powers simultaneously and not with one at the cost of the other. Basically there is an implicit need for a more dynamic and accommodative foreign policy that prioritises our national interest, engages plurilaterals, and definitely focuses on the Indo-Pacific.

The world's largest economies are looking for a "China-plus-1" supply chain and perhaps with the geopolitical alignments changing-trade is increasingly being done amongst like-minded countries. Indo-Pacific is and will

remain to be a theatre of increased geopolitical and geo-economic engagement especially among the adherents of the liberal international order.

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