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# VIF Expert Groups Reports



Edited by Naval Jagota



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## Editor's Note

In May 2021 six experts group discussions were organised by the Vivekananda International Foundation through webinar on events and topics affecting India's interests worldwide. The diversity of the expertise of each of the members of the expert groups brought rich flavour and knowledge on the topic through their varied professional backgrounds (military, diplomacy and academia). This issue contains reports of the West Asia, Indo-Pacific, Europe, Pakistan, China and US experts' group discussions.

In the West Asia Group the discussion was focussed on "Saudi Arabia's Foreign Policy and Indo-Saudi Relations". The key speaker in the session was the Indian Ambassador to Saudi Arabia, Amb. Dr. Ausuf Sayeed. The Indo-Pacific experts group discussions centred on, developments in regard to Australia, The Israel-Hamas Flare-up, Biden Administration policies impacting the Indo-pacific and Geopolitical Impact of India's Second Covid Wave.

The European study group discussed the outcomes of the EU-India Leaders' Meeting and Future Prospects for EU-India Relations. During the interaction, the importance of Europe for the Indian economy and technology which does not attract enough attention when compared to the U.S. was highlighted. Also it is important to note that despite Brexit, the EU is home to more than one million

Indians and remains a major trading partner for India.

In the China group the discussion was on the recent renewal of the debate on the origin of the Corona Virus and its apparent weaponisation which have got a fresh lease of life. The information flow of the events and the players involved have raised suspicions on the origin as well as on the cover up involved to hide or deflect the names of the organisations involved. The other topic discussed was the 'Current Dynamics of the Border Situation with China' and the absence of further military level talks to resolve the situation.

The Pakistan expert group discussed Moeed Yusuf as the new NSA of Pakistan and its implications, Pakistan-Saudi relations, Pak-US-Over-flight/Bases, the status of economic turn-around in Pakistan well as the US exit plans in Afghanistan and implications. In the U.S. expert group the latest wave of Covid-19 in India and the US response was the major point of discussion in the India-U.S. cooperation. Although initially slow in its response, the U.S. administration later provided substantial assistance to India. The observations were made by participants with respect to US response and the future scope for India-US relations.

The coordinators and researchers associated with these Expert Groups have put unfaltering efforts to coordinate the meetings and collate the notes for the reports in this issue.

**Naval Jagota**

**New Delhi**

**June 2021**

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# Russia's Resurgence in the Middle East

Compiled by Hirak Jyoti Das

*West Asia Experts Group Meeting was virtually held on 17 May 2021 by the Vivekananda International Foundation, the discussion was focussed on "Saudi Arabia's Foreign Policy and Indo-Saudi Relations". The key speaker in the session was the Indian Ambassador to Saudi Arabia, Amb. Dr. Ausuf Sayeed, members attending and contributing were Amb. Anil Trigunayat (Coordinator); Dr. Arvind Gupta, Director, VIF; Amb. Satish Chandra, Vice Chairman, VIF; Lt. Gen. Ravi Sawhney (Retd), Amb. Anil Wadhwa; Amb. D P Srivastava and Amb. Sanjay Singh.*

## **Saudi Arabia's Foreign Policy Objectives**

Saudi Arabia until mid-1950s was a peripheral state which was largely inactive in regional and global politics. It was largely focussed on domestic affairs and territorial consolidation in the Arabian Peninsula. The kingdom remained neutral during the World War II. The state, prior to the oil boom, did not possess the capability to challenge Egypt, Iraq, Syria and Jordan. While Saudi Arabia was primarily concerned about its immediate neighbourhood, Egypt, Iraq and Syria played a more assertive role on the regional level.

The first major foreign policy move for Saudi monarchy was to align with the US under oil for security partnership struck between King Ibn Saud and US President Franklin Roosevelt in February 1945. It laid the foundation of strong but uneasy strategic ties with the US which has continued until the present.

The kingdom carefully articulated its foreign policy to maintain equilibrium and the balance of power in the region. It also sought to safeguard itself from the revolutionary Arab nationalist wave under Nasserism and Baathism; Soviet Union's growing communist influence as well as the 1979 Islamic Revolution in Iran. By mid 1960s, the kingdom aided by oil revenues emerged as the leader of the conservative Arab states. Saudi Arabia attempted to avert foreign influence in the Arabian Peninsula and pursued the policy of containment to counter Egypt especially in Yemen until its withdrawal in 1967.

Saudi Arabia hosting the two holiest mosques in Mecca and Medina is the leader of the Islamic Ummah. In terms of evolution of Saudi foreign policy, religion was used for forging Islamic unity and fostering Islamic solidarity. Notably, the use of Islam as tool of pursuing foreign policy was implemented under King Faisal who gave himself the title of Custodian of the two Holy Mosques.

The kingdom was one of the founding members of the Arab League and main force behind the formation of the Organisation of Islamic Conference (OIC) in September 1969. It hosted the 1<sup>st</sup> Islamic Conference of foreign Ministers in Jeddah in March 1970 and played a key role in drafting the charter of OIC in 1972. King Faisal played an instrumental role in the formation of the Islamic Development Bank in 1973 during the 1<sup>st</sup> OIC conference. Saudi Arabia is the largest shareholder of the bank. The Saudi Fund for Development was established in 1974 to help in financing projects at low interest rates in several developing and undeveloped states

particularly in North Africa. It also set up the Muslim World League as a pan-Islamic non-profit NGO to clarify the true message of Islam; advance moderate values of peace, tolerance and love and engage in dialogue with other faiths. Additionally, Gulf Cooperation Council (GCC) was formed in 1981 in Riyadh. The Kingdom has used these organisations to consolidate its leadership role of the Islamic Ummah.

Besides its leadership role in the Islamic world, the kingdom has prioritised its control over production and distribution of oil. It is one of the founding members of Oil of the Petroleum Exporting Countries (OPEC). It processes 17 percent of world's proven world reserves and has proven oil reserves of 258,000 million barrels. The oil and gas sector accounts for about 50 percent of the GDP and about 70 percent of export earnings. The value of petroleum exports in 2019 was around US\$ 202 billion.

The kingdom has been using crude oil as an effective foreign policy weapon to negotiate a better bargaining power for itself and placing pressure on consuming nations for instance, the oil embargo imposed on the US and European states in 1973 and more recently the oil price crash in early 2020 due to dispute between Saudi Arabia and Russia.

The emergence of several other players such as Russia and the US has reduced dependence on Saudi oil in Europe and the US which has gradually limited its influence in the energy market. The changing dynamics has compelled the kingdom to look towards Asian states particularly India, China, Japan, South Korea and South East Asian states. By 2016, around 70 percent of Kingdom's oil exports were actually being shipped to Asia. Therefore, there has been a major commercial and geopolitical rebalancing and eastward shift is occurring within Saudi Arabia's foreign policy.



## **Saudi Arabia's Strategic Dynamics with the US**

Oil for security deal in which the US committed itself to the security of the kingdom by ensuring the free flow of Saudi oil through the Bab Al Mandab and the Strait of Hormuz has remained consistent since post World War II period. Despite differences in political systems, the relationship between the US and Saudi Arabia is resilient. There have however been instances of friction such as the Arab-Israeli conflict; Gulf oil embargo and the September 2011 attacks in the US that created misgivings about the kingdom in the US; Saudi suspicion over the Joint Comprehensive Plan of Action (JCPOA); Barak Obama's position on 2011 Arab Spring protests and sustainability of the US' shale oil sector.

Under then US President Donald Trump, the personal relationship with the Crown Prince Mohammad Bin Salman improved. Notably, President Trump's first foreign international state visit was in Saudi Arabia. Trump stood behind the MBS even after Jamal Khashoggi's killing and Yemen conflict. Trump's decision to cancel JCPOA also pleased the kingdom. In the policy making circles and media in the US however, there is high level of suspicions and scepticism about the kingdom.

After Joe Biden took over, he called for recalibration of relationship with the kingdom. It is critical of Saudi Arabia's conduct using American weapons during its conflict in Yemen killing large number of civilians. Biden deliberately spoke only with King Salman and refused to speak to the Crown Prince. The US released report holding the Crown Prince and his associates responsible for killing Khashoggi. The US' decision to re-engage with Iran as well as re-activating the nuclear deal has caused apprehensions in the kingdom.

Despite these challenges, intelligence and counter terrorism cooperation is likely to continue. Saudi Arabia is the largest buyer of US weapons. The

US has assured Saudi Arabia that defence cooperation would continue. The kingdom will continue to remain crucial for the US to counter-balance Iran.

### **Saudi Arabia's Strategic Dynamics with Iran**

Saudi Arabia was sceptical of revolutionary Iran's intentions in the region which brought it closer to the western states. Saudi Arabia's support for Iraq during the Iran-Iraq war; the death of Iranians during 1987 Haj pilgrimage had crippled the relationship. It perceived Iran as an existential threat and the Islamic Republic has been accused on fomenting instability in Syria, Iraq, Lebanon, Palestine, Bahrain, Yemen etc.

Notably, both states have been in touch in the post 1979 period. The then Saudi Crown Prince Abdullah visited Iran in 1997 and Saudi Arabia hosted President Akbar Hashemi Rafsanjani in 1998. Both states signed security cooperation agreement in April 2001. The kingdom on numerous occasions has indicated interest to maintain normal relations provided Iran gives up its nuclear ambitions and halts support for regional proxies. There have been several rounds of operational talks between both states currently to improve the relationship.

The kingdom currently has strategic partnerships with 8 states i.e. US, UK, France, Germany, China, India, Japan and South Korea. Currently, four out of five of Saudi Arabia's top trading partners are from Asia. It is keen to nurture Free Trade Agreements (FTA), long term investments and increase technological collaboration with Asian states including energy, renewable energy, nuclear energy, telecommunications, artificial intelligence, space programme.

Saudi Arabia's poor human rights record and its foreign policy conduct including in Yemen has resulted in growing public criticism especially in

the US and the western states. It is pushing the kingdom towards Russia, China and India. It has also sought to maintain regional alliances in the Red Sea and Northern African region. It has been extending financial assistance to African states through the Saudi Fund for Development. By 2018, the kingdom has extended around US\$ 24.4 billion to Africa. The kingdom also has a dedicated minister for African affairs.

Domestically, the reforms by the Crown Prince such as opening the public and economic space for women has been largely popular. Saudi Arabia efforts towards reconciliation with Qatar; engagement with Syria and Turkey and backroom diplomacy with Israel reflects the possibility of new alignments in the near future.

### **Saudi Arabia's Bilateral Relations with India**

The then Saudi King Ibn Saud visited India in 1955 and the then Indian Prime Minister Jawaharlal Nehru visited Saudi Arabia in 1956. There was a brief lull between 1956 and 1982. In 1982, the then Prime Minister Indira Gandhi visited the kingdom. From Saudi Arabia's perspective, the relation with India was traditionally hyphenated with Pakistan resulting in slow progress.

The bilateral relationship accelerated after the visit by King Abdullah to India in 2005. The Saudi King expressed that India should be accepted as a full member of the OIC. Both states during the visit signed the Delhi Declaration and committed to work together in the field of counter-terrorism, energy ties. The relationship was further strengthened during the then Prime Minister Manmohan Singh's visit in 2010 during which the Riyadh Declaration was signed.

Subsequently, in 2014, MOU on defence cooperation was signed during the visit by the then Crown Prince and current King Salman. The Indian

Prime Minister visited the kingdom on two occasions. During Prime Minister Narendra Modi's first visit in April 2016, cooperation was intensified particularly in defence, security and intelligence cooperation; maritime cooperation; military exercises; exchange of space and aircrafts; supply of ammunitions; cyber security etc. The Saudi Crown Prince Mohammad Bin Salman visited India in February 2019. Saudi Arabia during the visit committed to invest US\$ 100 billion in India. Saudi Arabia in order to compliment Vision 2030 as well as Make in India and Start up India initiatives has indicated its intention to transform the current buyer seller relationship to deeper engagement based on joint ventures, investments, petrochemical complexes etc.

During the Crown Prince's visit, high level monitoring mechanism was set up by creating a Strategic Partnership Council. The Strategic Partnership Council agreement was subsequently signed during Prime Minister Modi's second visit in October 2019. India has been assigned as a key strategic partner under Vision 2030 by Saudi Arabia.

# Outcomes of the EU-India Leaders' Meeting and Future Prospects for EU-India Relations

Compiled by Dr. Himani Pant

*The leaders of the European Union and India met for a virtual meeting on 18 May 2021. To deliberate on the outcome of the meeting and the future trajectory of EU-India ties, the Vivekananda International Foundation organised a virtual discussion on May 18, 2021. The opening remarks were made by Dr. Arvind Gupta and the discussion was moderated by Amb. Anil Wadhwa. The participants included distinguished guests like Mr. Sandeep Chakravorty, Mr. Sanjay Chadha, Mr. Pranav Kumar, Dr. Garima Mohan, Lt. Gen. Ravi K Sawhney (Retd), Dr. Rudra Chaudhuri, Prof. Gulshan Sachdeva, Prof. K.P. Vijayalakshmi, Amb. TCA Rangachari and Gp Capt. Naval Jagota.*

## **EU-India Ties**

The Porto meeting (held virtually) reinforced the EU-India strategic partnership. The leaders discussed a wide range of issues including 5 G, artificial intelligence, data privacy, network security partnership and vaccines, multilateral reforms, climate change sustainability and the Indo Pacific, etc. Both sides also agreed to resume free trade negotiations and start negotiations on two other agreements on investment protection and geographical indicators. They also launched a new connectivity partnership. Both sides agreed that it was imperative to find solutions for

the longstanding market access issue. The leaders' meeting was, therefore, instrumental in laying out the future trajectory of EU-India ties. This brings into attention several opportunities as well as constraints that need to be addressed to realise full potential of the partnership. The following observations were made by the participants with respect to the outcome of the leaders' meeting and the scope of the EU-India ties.

- The leaders' meeting was a breakthrough moment for both the EU and India. Convened in a rarely used format, the meeting went a long way in allaying the scepticism attributed to the priorities and intent on both sides. It reinforced the EU's desire for deep ties with India which is also a part of the whole push for diversification for partnerships with countries in the Indo Pacific other than China. It also reflected the Indian leadership's desire to work closely with Europe.
- The launch of the connectivity partnership based on rule of law, and fiscal and environmental transparency was a major highlight of the meeting. This opens up avenues for India and the EU to work on joint projects in Africa, Central Asia and the Indo Pacific.
- It is important to note that the connectivity partnership is more of a declaration of intent. While it does not list concrete projects or create any new funding or financing mechanisms, it is a declaration of principles, and identifies some pillars of cooperation which is quite symbolic. The agreement identifies several areas of convergence.
- There is a growing convergence on the Indo Pacific between India and the EU-the commitment which was underscored once again for a free an open, inclusive and rules-based Indo Pacific that is underpinned by respect for territorial integrity and sovereignty,

democracy, rule of law, transparency, freedom of navigation or flight; unimpeded commerce and peaceful resolution of disputes in accordance with international law, including UNCLOS. There was also stress on maritime domain awareness and information sharing in the region with strategic partners.

- In the Indo Pacific, differences between the French, the German and the Dutch strategies on Indo-Pacific are evident. The German and Dutch approach is more business oriented, whereas the French approach has an added strategic dimension too. The China factor is very important in German Indo-Pacific strategy.
- EU member states are keen to have economic and trade ties with India but have to adhere to certain conditions and guidelines laid out by Brussels. The preconditions are predominantly in the domain of trade in goods.
- The current bottlenecks in the EU-India partnership pertain to intellectual property rights, digital trade, trade and sustainable development, issue of data storage, issue of human rights, carbon border taxes, among others. The weak spot remains in the digital sphere, especially since India is yet to finalise its data protection law. Nonetheless, the EU and India have set up several mechanisms particularly on AI, 5G and other emerging technologies.
- Issue of TRIPS waiver- The German approach is more innovation based which believes that deviating the IPR process may imperil future innovation. As a result, it favours licensing rather than a TRIPS waiver. India, on the other hand, has tabled the proposal at the WTO for a TRIPS waiver not just on vaccine production but also on COVID-19 related drugs. The main opposition on this proposal continues to come from the EU, Japan, and Australia.

- As far as the FTA is concerned, it is apparent that the Indian side is ready to reduce certain tariffs, particularly in the sphere of automobiles, auto parts, wines etc. While tariff reduction for all European dairy products seems unlikely, a relaxation in some products such as exotic foods, blue cheese etc. is achievable.
- Indian flexibility over automobiles and wines etc. would not only allow the Indian automobile industry to gain access to the European market but would also facilitate a bargain or a trade-off for some of India's products like textiles, aquatic products, etc. for which the EU constitutes a big market. Indian textile industry, in particular, has a cost disadvantage while exporting due to tariffs levied by the EU. Vietnam gets concessional tariffs as do Bangladesh and Pakistan as a result of which the Indian textile industry suffers.
- European companies are likely to emerge as one the biggest beneficiaries of providing alternatives to China for 5G rollouts. Given that the European technology is more expensive, there will have to be some kind of an understanding on making this European technology which is viable for the Indian market.
- In addition, India provides a very large IT market so cooperation could yield mutual commercial advantages. India has a keen interest in the EU market, particularly the mobility of professionals. As of now, there is no EU wide work permit for Indian professionals because Brussels doesn't have a mandate in this domain.
- Finally, the strength of the EU India partnership need not be evaluated simply by measuring whether there will be FTA, or not. There are also other measures and also other areas that are seen as important.



## **Conclusion**

The meeting has played a big role in allaying the scepticism over political will and priorities. This is because often the importance of Europe for the Indian economy and technology does not attract enough attention when compared to the U.S. It is important to note that despite Brexit, the EU is home to more than one million Indians and remains a major trading partner for India. It must also be noted that the EU and India issued a joint statement on Afghanistan on 4 May. Additionally, both sides had also issued a joint statement on the issue human rights in April this year. Such joint diplomatic initiatives need more coverage in the media and should be well known.

For India, the resumption of trade negotiations was a major objective that was fulfilled. In fact, India has shown a great deal of flexibility on starting the FTA negotiations and instilled a new political momentum. In the India-EU relationship, however, there are no set timelines. In order to continue with this momentum there is a need to outline and adhere to strict timelines till the next meeting, especially for the investment agreement. A related point in this respect is that despite the Indian interests in trade, it should not discount the importance of an investment agreement with the EU. Finally, given the inevitable concessions that India would have to make in future, there is a need to disseminate information and share the reasoning and rationale behind such relaxations with the public in order to avoid any backlash.

### Certain Global Events Impacting the Indo-Pacific

Compiled by Commander Shashank Sharma

*The VIF Expert Group on the Indo-Pacific met on 20th May 2021. The meeting was moderated by Vice Adm Anil Chopra (Retd) and key attendees and contributors were Dr Arvind Gupta, Amb Anil Wadhwa, Amb Anil Trigunyat, Amb Deepa Wadhwa, Amb Skand Tayal, Mr Anil Devli, Mr. Akshay Mathur, Dr Harinder Sekhon and Gp Capt Naval Jagota. The expert group discussed important developments in the Indo-Pacific in the past one month.*

#### **Overview of Developments in the Indo-Pacific**

In recent times, India has shed its reticence towards participation in QUAD and inclusion of Australia in the naval exercise MALABAR, and is emerging as a major player in the Indo-Pacific. However, the second wave of the COVID pandemic could impact its participation in multilateral initiatives in the region. The impact of COVID, the challenge of Cyclone Tauktae and the resulting ONGC fiasco, could dent India's geopolitical stature and put a question mark on the efficacy and accountability of its governance systems. A major naval exercise involving US, Australia, France and Japan was held off Sasebo in the East China Sea (ARC 21) in May and India was not invited.

European involvement in Indo-Pacific is witnessing a rise. UK is deploying its Carrier Strike Group to the Indo-Pacific for operations centred on the South China Sea. This would be a first such deployment since they first withdrew from the East of Suez in 1953. Germany is initiating dialogue with Japan, and other European countries are also increasingly engaging with Japan, Australia, Korea etc. indicating a surge in European focus in the Indo-Pacific, from just the Indian Ocean to the seas East of Malacca.

In response to an increasingly hardening stance of Japan vis-à-vis China, apparently subsequent to the meeting of Premier Suga with President Biden, the PLA Navy seems to have increased its presence off the Senkaku islands and is also increasingly deploying in the Taiwan straits apparently consolidating naval presence north of the SCS.

The ongoing conflict between Israel and Hamas needs to be monitored closely as developments in the Middle East could have a fall out in the Gulf of Aden, Red Sea, Persian Gulf and Gulf of Oman, thereby impacting India's energy security. It would be also be important to monitor China's interaction with Iran, how it impinges on the geopolitics of the region.

In India's neighbourhood, China is applying pressure to discourage Bangladesh from QUAD related activity. Meanwhile, Sri Lanka has cleared a project for the Chinese to establish a free trade port in Colombo its supreme court having declared some of the provisions of the project unconstitutional.

### **Australia- China Relations**

A Jun 2020 report by Australian Strategic Policy Institute, brought out that Communist Party of China is on a mission to infiltrate all aspects of Australian life including politics, businesses, media, government etc. using the support of Chinese businesses and Chinese academic community

in Australia. The Chinese have invested heavily in the mining industry; especially for lithium (used in batteries); and also in agricultural land, electricity and water resources, energy grids, real estate, Darwin port etc.

The Australia-China relations have been on a decline since 2018. In that year, local Australian media became very vocal about China's actions in the SCS and its increasing influence in Australian society, government, media, universities etc. Australia also banned Huawei from its 5G network in 2018, adding to the strain in the relations. In the same year Australia passed the National Security Law in an attempt to stop such Chinese influence in domestic matters. Australia also imposed rules on foreign buyers of agricultural land and city infrastructure which had been a target area for the Chinese.

In March 2020 during the Covid Pandemic, Australia passed new rules to scrutinize takeover of Australian companies rendered vulnerable during the pandemic by state owned enterprises of CCP and other authoritarian countries. Consequent to this, cyber-attacks on Australian businesses and government agencies were experienced which the Australian government said was the work of a state-based actor, without actually naming China. Australia also initiated anti-dumping investigation against Chinese steel. Consequent to Australia's call for investigation into the origins of Covid-19 virus, China responded by targeting Australian exports into China, mainly coal and also cotton, barley, beef, copper, lobsters, timber, wine, sugar etc. which amount to 25 Bn \$. However in actual terms, the exports fell by a mere two billion dollars in value, as the cost of coal went up. Coal of same calorific value from Russia would cost the Chinese twice as much. Australia meanwhile is diversifying by increasing exports to India. In December 2020, the Australian Federal Parliament passed legislation which gives the government veto power over foreign arrangements with states, local bodies and universities. In order to overcome non-signing of

BRI agreement by earlier liberal PMs, China had started dealing with states directly. Using this law, Australian Finance Minister on 21 Apr cancelled two infrastructure related BRI contracts in Victoria State which were a part of MoU with China's National Development and Reform Commission. This law will allow federal government to overturn MoUs China has signed with various states in sectors of science, investment, access to Antarctica etc, projects which China is allegedly using for gaining geopolitical leverage over Australia.

Despite the situation with China, Australia hopes for improved relations. It aims to cooperate with China and also with other like-minded democratic countries in sectors of food security, climate change and energy. It seeks Chinese market in health care and nursing as the latter's population ages.

### **Geopolitical Developments in the Pacific Island States**

Australia is concerned over increasing influence of China in the Pacific Island states in its backyard through BRI projects and investment, presenting a security threat. Australia has earmarked \$ 747 million for upgrade of defense training bases in its northern territory, and the country's defense budget has been increased by 40%. Australia has also set aside \$ 270 million for its submarine program. There is also a call for cancelling the 99 yr lease of port Darwin to a Chinese company. The Chinese have meanwhile invested about \$ 1.7 billion in the Pacific Islands. They are investing \$ 200 million in a fishing village in Papua New Guinea which is very close to Australia, and raises security concerns for the latter. China has also signed a MoU with Fiji enabling military deployments and exercises in each other's jurisdiction. China is also planning to build two trans-shipment ports under BRI in Kiribati. As a pushback, Australia has committed a package of \$1.5 billion in the region. It has also set aside \$ 500 million for a vaccination program in the Pacific Islands.

## **Israel-Hamas Conflict**

History provides no solution to the larger Israel-Palestine issue as the dispute over ownership of the land between Jordan River and the Mediterranean Sea is centuries old with claims and counter-claims between Arabs and the Jews.

The Ramadan month generally witnesses increased tensions every year in the Al Aqsa mosque area. This year the scheduled court hearing and anticipated eviction of Palestinian families from Sheikh Jarrah area added fuel to the fire, and clashes erupted between Israeli police and Palestinians in the Al Aqsa mosque on 7<sup>th</sup> May. In a rare instance, riots also occurred between Israeli Arabs and Israeli Jews. This spilled over and resulted in wide spread riots following which Hamas fired 200 rockets on Israel. Israeli Defence Forces retaliated by launching attacks by missiles and airstrikes on Hamas targets in the Gaza Strip. Netanyahu has likely used this opportunity to project himself as a strong leader and to consolidate his political position. It is also likely that Netanyahu wanted to provoke Iran, in an effort to scuttle any progress on the Iran-US Nuclear deal. UNSC has been completely ineffective. The Arab world, which has lately been trying to normalize relations with Israel, is now being criticized, particularly by Turkey and Iran. Qatar which has some control over Hamas is trying to get Hamas on the table for discussing peace. Despite pressure, Netanyahu is defiant on his campaign against Hamas. The outcome of the conflict is that Hamas has established itself as the face of Palestinian struggle, and Netanyahu could strengthen his political position too. In the long term, lasting solution to the problem can only come from the formation of an independent state of Palestine.

Indian statement at UNSC was a balanced one, however it failed to satisfy either side and has only added to the confusion. Besides, there has been no statement from the MEA. Nearly every stakeholder state in the region

is playing some role. US has sent a special envoy to the region. India should play a more active role in the resolution of this conflict, establish its relevance as a regional power and propagate the two-state solution for lasting peace in the region. It should use this opportunity to establish its key role in the region and send a special envoy to West Asia. The region is extremely important considering the huge Indian diaspora in the region, investments etc. India should send an interlocutor to the region including Egypt and Jordan and should speak with all stakeholders in the region for brokering peace leveraging our good relations with US, Russia, Israel and Arab nations.

Closer home India should also engage with Bangladesh regarding their spat with China over participation in QUAD.

### **Indo-Pacific Policy of Biden Administration**

The Biden Administration appears to be totally committed to the Indo-Pacific and India's centrality therein. There is likely to be continuity in the Trump's policy on Indo-Pacific. The US Interim National Security Strategic Guidance released in Mar 2021 is a key indicator of this. As per the document, the US will maintain strategic presence in the Indo-Pacific. The QUAD summit meeting and conduct of exercise MALABAR as a truly QUAD exercise also indicate the same.

Biden's priorities for guiding US foreign policy need to be examined in detail to understand and prepare for the challenges that they may pose for India. The three priorities being:-

- getting the pandemic under control,
- improving long term relations overseas through economic engagement,
- re-starting the economy.

The US has also initiated efforts to pose challenges to Chinese BRI in the region, and is urging Australia and Japan to make greater efforts and integrate the region economically. US has said that its Indo-Pacific policy would retain center stage vis-à-vis taking on the China challenge. The first visit of senior officials of the Biden Administration was to Asian countries including Japan, South Korea and India, indicating the primacy being accorded to the region. The Biden Administration was initially expected to take a softer stand on relations with China. However the disastrous turn taken during meeting between the Chinese Foreign Minister and Secretary of State Antony Blinken in Alaska re-escalated tensions. Consequently, US has indicated a strong intent against China through committed redistribution of forces, securing supply chain in the region, and retaining tariffs imposed by Trump Administration.

In order to gain centrality in the region India has to overcome challenges in terms of integrating with the global supply chain, recommencing vaccine diplomacy by overcoming IPR and raw materials challenges, and creating a conducive investment environment. The US still considers India as one of the toughest places for investment. India needs to:

- Strengthen the liberal-economic order and diplomatic ties with allies and partners –India will have to integrate itself economically, and not just by purely security partnerships.
- Create greater cooperation with the partners of the US and strengthen bilateral and multilateral relations and mechanisms.

India's Act East policy is a work in this direction. However, New Delhi needs to plan ahead to deal with events instead of resorting to knee-jerk reactions. How it is responding to the pandemic and how it takes vaccine diplomacy forward is being keenly watched by the world. There is a need to reorient economic, political and strategic choices, and work on how



to become a more useful part of the QUAD. Trade agreements have detailed clauses built into them. Defending litigations in the international arbitration courts, which are very sophisticated institutions, requires hiring professional firms that costs millions. Indian companies, barring a few, do not have the heft to handle such international arbitrations and lose out. India should create large multinationals and back them up so that they carry weight internationally, and can fend for themselves successfully in international arbitrations. This is very important if India has to plug into the international supply chains successfully. Multi-nationals need to be created in all sectors to be able to engage with the world. Presently there is no institutional support by the government to Indian corporations. Indian government needs to unabashedly support its companies.

### **Impact of COVID-19 Second Wave on Perception of India's Regional Standing**

If India remains embroiled in dealing with the pandemic and is unable to control it in the next six months, it would adversely affect its foreign policy. India's critical situation during the second wave is receiving negative press including in Pakistan and Nepal. There is however some optimism due to the fact that despite the virulence, scale and lethality of the pandemic, India has been able administer 18 Cr vaccines. Though, as a percentage of population it is low, it indicates that the infrastructure and mechanism is rapidly taking shape and the situation should improve as vaccines from more manufacturers become available. It is important for India to get back to exporting vaccines as, a narrative is developing that the vaccine shortage in Africa has resulted from India stopping the export of vaccines to deal with its domestic situation. India's 'pharmacy of the world' image may be proving counterproductive.

How India deals with the current second wave and proceeds with its vaccine supply is being closely watched by the world.

# China's Actions on Biological Warfare and the Current Dynamics of the Border Situation with China

Compiled by Gp Capt Naval Jagota

*The Vivekananda International Foundation (VIF) organized a virtual discussion on China's Biological Warfare and its Impactas well as the Current Dynamics of the Border Situation on 25 May 2021. The discussion was moderated by Dr Arvind Gupta Director VIF. The other attendees were, Mr. Jayadeva Ranade, Lt Gen S L Narasimham (Retd), Lt Gen Ravi Sawhney (Retd), Lt Gen Rakesh Sharma (Retd), Amb TCA Rangachari, Prof Srikanth Kondapalli, Amb Ramiah Rajagopalan and Gp Capt Naval Jagota.*

## **Introduction**

The debate on the origin of the Corona Virus and its apparent weaponisation has got a fresh lease of life. The information flow of the events and the players involved have raised suspicions on the origin as well as on the cover up involved to hide or deflect the names of the organisations involved. The other topic discussed was the Current Dynamics of the Border Situation with China and the absence of further military level talks to resolve the situation are at an impasse.

## **China's Biological Warfare and its Impact**

Increasing amount of evidence is pointing towards a structured program of the Chinese working on the Corona virus clandestinely at the Wuhan Institute of Virology (WIV) for a prolonged period to capture its effects individually and in combination with other viruses. Dr Anthony S. Fauci the director of the National Institute of Allergy and Infectious Diseases (NIAID) as well as an advisor to the US president has reversed his earlier position of the COVID19 occurring naturally, to the present one of the need to investigate it further with a hint that it may not have occurred naturally in order to reach informed conclusions. His statements now are in line with the then President Mr. Trump as well as the Secretary of State Mr. Pompeo. An Australian journal the Weekend also published an article about the possibility of the Chinese developing a bio weapon out of WIV in which it quoted an article of 2015 from the Academy of Military Science (AMS) publication of China which referred to conversion of the SARS virus to a bio weapon. Another reference of book by AMS for the PLA lists out the effects of the virus on enemy troops when used in a conflict. The Chinese foreign ministry spokesperson on their part started the defecting game by attributing it to the US athletes taking part in the world military games held in Wuhan, China in October of 2019.

Another historical thought which adds weight to the planned development of a bio weapon is the Chinese conditional signing of the Biological and Toxins Weapons Convention in 1984, in which biological weapons could be developed and used against enemy states. Bio warfare is a subset of its military and national security strategy and includes both civil as well as military applications, it was identified in the 831 plan. The Chinese effort has been on after the Korean War in which scientist were sent to the Soviet Union to study plague and anthrax and the technology associated with it. In the 1960s and 1970s the Chinese worked on it independently. Some reports suggest that China has 50 laboratories which have developed or in

the process of developing 40 such toxins or bio-weapons.

The weakest point is biological weapons control convention for control of proliferation is not having a robust monitoring convention, no verification protocol but only a review mechanism which is held every 5 years. The other areas of concern are the use of Chinese civilian collaboration with western academic and scientific institutions for gathering of information, knowledge and skill and subsequently meshing it into military use. The western civilian institutions because of the commercial application and financial benefits of these technologies are willing to collaborate outside of the norm sensitive structures in the west thus acting as enablers for the Chinese. Another area of concern is the likely exchange of gene information from countries in exchange for prevailing preventive solutions from diseases, which may be exploited for a more lethal outcome of bio weapons especially in the post COVID world.

### **Current Dynamics of the Border Situation**

In the current dynamics there is an apparent creation of buffer between PLA and the Indian Army units in Eastern Ladakh (EL). Historically while proposing the 1959 Line, two countries have never formally delimited this boundary and that there is a divergence of views between the two countries regarding the boundary. At that juncture in history and six decades that followed, concept of 'buffer' between forces at the LAC had not been acceptable to India, even in the six Agreements that were signed, however the ground situation is evolving into a buffer zone solution in some pockets post the Galwan incident.

A major consequence has been creation of patrolling moratoriums in disputed areas, which, implies creation of buffer zones without challenge to proclaimed claim lines. It commenced with Galwan, post 15 June 2020 incident, when both forces withdrew one to two km either side of

PP14. Consequently, post Tenth Round of Talks, a buffer was created along Fingers 4 and 8 of PTSO North Bank. The disengagement process South of PTSO and the Kailash Range has also created a buffer zone, with a verification system. Though not formally decided, both forces on Raki Nalla, at Depsang Plateau and Gogra, near Hot Springs, maintain distance. The buffer zones along the LAC have not been formalised as a method to maintain peace and avoid clashes in future. Yet, it is apparent that China will proceed further on disengagement, whenever, with buffer zones as a consequential foundation, could even be in middle and eastern sectors, attempting to create a Belt or Zone over a Line.

Both sides have taken steps for rotation and relief of troops in the EL region. Substantial infrastructure work is on the Indian side as well as on the Chinese side for communication of military and civilian population is underway or being completed. There are reports of military buildup in the Rudok and Shigatse area including weapons. There is an impasse as to the talks due to the Chinese reluctance attributed to COVID delta version. The Chinese social media posts also alluded to the planned lack of engagement with India.

# Pakistan Internal and External Developments

Compiled by Aakriti Vinayak

*A meeting of the Pakistan Study Group (PSG) was held via video conferencing on 27<sup>th</sup> May 2021. The agenda's main items were: Moeed Yusuf as NSA-Implications, Pakistan-Saudi relations, Pak-US-Over-flight/Bases, Economic Turn-around in Pakistan? US exit plans in Afghanistan and implications. The meeting was attended by the following-Shri Arvind Gupta, Amb Satish Chandra, Ms Shalini Chawla, Shri Rana Banerjee, Amb Amar Sinha, Shri CD Sahay, Shri Sushant Sareen, Amb DP Srivastava, Amb G Parthasarathy, Lt Gen Ravi Sawhney (retd), Shri Tilak Devasher, and Gp. Capt. Naval Jagota.*

## **Pakistan**

The month saw some interesting developments both at the external and internal front in Pakistan. On the external front Pakistan has been trying to mend its ties with Saudi Arabia and USA. Another major highlight was the elevation of Moeed Yusuf to the NSA of Pakistan. Internally, the estranged PTI leader Jahangir Tareen has formed a forward block in the national and provincial assemblies against his own party's government. There have also been reports of an economic turn-around in Pakistan

with growth rate being estimated at 3.94 percent. How credible is this?

### **Moeed Yusuf as NSA- Implications-**

Imran Khan appointed his special assistant on national security Moeed Yusuf as the country's National Security Advisor (NSA). On 17 May 2021, a cabinet division issued a notification, confirming Yusuf's appointment for the post. The appointment is rather unprecedented as he is neither a bureaucrat nor an army personnel, but an academic. He is the first academic to be appointed to a post usually held by retired army generals or diplomats. Yusuf's elevation comes in the backdrop of the reported backchannel communication with India early this year, resulting in the restoration of the 2003 ceasefire agreement on the line of control in February. Several factors are important to understand Yusuf's appointment as NSA. Having an experience of working with various think tanks and security policy circles in the US, he is considered to be a significant interlocutor to try and initiate a dialogue with the US and is also close to the military. An important factor is that his appointment comes in the background of the current USA withdrawal of troops from Afghanistan. On 24 May 2021, Moeed Yusuf met national security adviser Jake Sullivan of the US in Geneva. This was the first face-to-face high-level contact between two countries since the Biden administration took office.

Another important factor is that his appointment comes when there is a specific push in Pakistan, from various quarters, to normalize relations with India. However, India needs to be cautious as Yusuf is a hardliner and his views on Kashmir remain frozen in time. Though he is engaged in rebranding Pakistan as geo-economics hub and a country with new thinking on national security, it is yet to be seen if the rhetoric gets translated to reality.

## **Pakistan- Saudi Arabia Relations**

Amidst the changing geopolitical and regional dynamics, there is an ongoing effort by Pakistan and Saudi Arabia to mend strained ties. While Riyadh is looking to diversify its oil-dependent economy by further engaging with other South Asian countries, Islamabad is struggling to expand relations with its long-standing partner beyond security cooperation and cultural ties. Bilateral tensions erupted last year when Saudi Arabia pushed back against Pakistan's persistent demand for an Organization of Islamic Cooperation summit on the situation in Kashmir by demanding Islamabad's prompt repayment of US\$3 billion loan and suspension of separate \$3.2 billion oil credit facility. Recently Imran Khan visited Saudi Arabia and both countries signed several agreements and also vowed to revive ties. However the visit had limited optics. In the joint statement there was no mention of specific projects like Gwadar petrochemical project, economic packages and also about Pakistani diaspora. Though there has been a movement in the ties, there is no breakthrough yet. While Saudi Arabia has supported Pakistan with billions of dollars in aid and loans in recent years, the economic relations between the two are currently at their lowest. The bilateral trade between the two stands at \$2 billion approximately.

## **Pakistan Economy**

The National Accounts Committee has announced that Pakistan's provisional growth rate stood at 3.94 percent for the outgoing fiscal year against the fixed target of 2.1 percent. The number seems to be overestimated when compared with the current trends of Pakistan's economy. Pakistan remains under debt, there is price hike- cotton has failed and wheat had to be imported. There also continues to be massive rise in inflation, unemployment, poverty and hunger in Pakistan. The brunt of the economic mismanagement is being felt by the masses. The



economy remains in doldrums and the Covid-19 pandemic has aggravated the crisis

## **Afghanistan**

The United States has begun formally withdrawing its troops from Afghanistan. Under the Doha deal, Some 2,500 US and over 7,000 NATO troops will be withdrawn from Afghanistan by September 11 this year. However, the situation post US withdrawal will be extremely challenging for Afghanistan, as the peace deal does not portend peace and stability. The Taliban remains resilient and is stronger than before militarily and politically. The situation on the ground remains grim. There has been continued carnage in Afghanistan, as violence levels remain high. The hasty withdrawal of US and NATO forces will lead to a civil war type situation.

As the troop withdrawal is underway in Afghanistan, there have been speculations that Pakistan and USA are improving their military ties. According to some reports there is possibility of Pakistan allowing the United States to operate a military base on Pakistani territory or conduct “kinetic drone” operations against Afghanistan. There have been reports that US post withdrawal will base itself for counterterrorism operations at Jacobabad, in Pakistan Though Pakistan has denied such reports, its highly likely that it will surreptitiously use the military base in order to reset its ties with the US and extract financial and military bail-outs. Other global and regional powers like Iran, China and Russia have political and economic stakes in the ongoing conflict in Afghanistan. They fear the spillover effects from the instability in Afghanistan.

The future of Afghanistan hangs in balance, as there remain myriad uncertainties and complexities.

# Biden Administration's Response to India's COVID-19 Challenge: Lessons for the Future

Compiled by Dr. Himani Pant

*To deliberate on the U.S. response to India's COVID-19 Challenge and future of U.S.-India Relations, the Vivekananda International Foundation organised a meeting of the US Experts' Group on 31 May 2021. The opening remarks were made by Dr. Arvind Gupta. The discussion was moderated by Amb. Arun K Singh and saw in attendance distinguished participants including Prof. KP Vijayalaxhmi, Mr. Pranav Kumar, Dr. Rudra Chaudhuri, Lt Gen Ravi K Sawhney, Lt Gen Anil Ahuja, Amb. Anil Wadhwa, Dr. Harinder Sekhon and Gp. Capt. Naval Jagota.*

### **India-U.S. Cooperation**

The latest wave of Covid-19 in India and the US response has emerged as a major point of discussion in the India-U.S. cooperation. Although initially slow in its response, the U.S. administration later provided substantial assistance to India. The following observations were made by participants with respect to US response and the future scope for India-US relations.

- The US response needs to be evaluated in the backdrop of the domestic factors at play in the country. The Interim National

Security Strategic Guidance released in March this year underscores the domestic policy preoccupations of the Biden administration. The document notes that to showcase “strength abroad requires the United States to build back better at home” and refers to “restoring trust with the American people; mounting a safe, effective, and comprehensive vaccination campaign; and mitigating disease spread through masking, testing, an expanded public health workforce, and better data.”

- Since the US had planned to resume the international vaccine supply chains only after end June or July, a sudden surge of Covid-19 cases in India in April contributed towards the initial delay in response.
- The India-US cooperation in the health sector goes back to decades but has acquired a new dimension due to the Covid-19 pandemic. While the manufacturing of vaccines is important in the immediate context, there is a need to go beyond current framework of cooperation to reform the entire public health system in the long term.
- US support for a TRIPS waiver, despite the country’s traditional strong stance against IPR, is a big step forward in the India-US ties. It is important to note that the India- South Africa proposal calls for not only a TRIPS waiver but also waiving off the high level of regulation on medical products needed for the containment of Covid-19. India has sought for a waiver on four aspects: copyright, industrial design, patent and undisclosed information. The recent US support, albeit limited to TRIPS, is significant as the country’s pharma lobbying is quite strong. Moreover, the country also has a great leverage in building consensus from other partners in Europe opposed to the initiative.

- As the discourse around the waivers of the IPRs, diversification of supply chains by US, etc. gains momentum, India's role and contribution needs to be addressed. In terms of quid pro quo for US initiatives, India has substantial capacities in terms of human resources, technical expertise, wide market etc. which would ensure mutual benefits.
- Engagement within the Quad framework has emerged as a major objective in US foreign Policy. It is, therefore, vital for India to invest more capabilities and thinking into the Quad. This gives India an avenue to engage with the U.S and may boost bilateral ties as well. In this context, India needs to shed its reticence on Quad and be more proactive in its engagement.
- At the same time, while engagement within Quad has opened up several avenues for cooperation in the India-US partnership, both sides should strive to capitalise on all the positive bilateral developments achieved in the last two decades. Enhancing economic and technological cooperation which goes beyond defence ties, is crucial in this context.
- Another area where India needs to be more vocal is with respect to the investigation into the origins of covid-19 by the US intelligence. Given that the WHO is open to more discussion on this, India should make a comprehensive statement in support of this investigation in order to build pressure on China to divulge more details. India also needs to be part of the working groups and engage with the Global pandemic taskforce under WHO.
- The push for responding with medical assistance to India during the second wave of Covid has underscored the role the Indian Diaspora in furthering India-US ties. The contributions of Indian

Americans in, business etc. is important in this context. Despite comprising a small number, the progressives of Indian origin are very influential players in the American political system. It is thus imperative for India to engage more proactively with the Diaspora.

## **Conclusion**

India-US relationship, like any other bilateral relationship, has its merits and limitations. These limitations arise from domestic concerns on both sides as 'national interest', whether explicitly stated or not, is the man priority for each country. A realistic approach is therefore needed while analysing the India-US or any other bilateral partnership. For instance, it is clear that the US is bound to have limited influence in matters relating to security at the Indian borders. Moreover, given the US retreat from Afghanistan, India has to work on amending its own approach to Afghanistan as well as Central Asia given the rising influence of Chinese in the region over the years.

In terms of the quid pro quo for American initiatives, India offers several capacities, expertise as well as a wide market. India's "atmanirbhar" initiative has a role to play in this context as it advocates of projecting India's local production on a global scale. This, of course, requires several initiatives within the country to improve the ease of doing business, increasing private sector engagement etc. Beginning with the R&D in vaccines and manufacturing, an entire ecosystem of vaccine could be cultivated to deal with future medical emergencies. In this respect, while India does have substantial resources within the country, a greater investment is needed on removing structural constraints.

India should also partner with other countries with untapped capacities such as South Africa and Brazil in building this ecosystem. Thus, India should actively engage in building global and/or regional partnerships on

vaccine, R & D on ecosystems, alternate supply chain, etc. A step in this direction has already been initiated with Russia by collaborating in the production of Sputnik V vaccine. The Supply Chain Resilience with Japan and Australia Initiative is also an attempt in this direction but needs more vigour. It needs to engage with the US in a similar manner and ensure that the relationship functions on an 'equal' footing.

Finally, the supply constraints faced during Covid-19 pandemic have reiterated the need to build self-resilience and diversification of raw materials and other medical products. In terms of vaccines as well as in general, a long-term plan for India would entail building of its own resilience and capture of domestic critical supply chains. At present, most of its medical ingredients come from either the license companies based in the United States or Europe. This necessitates substantial investments in developing a national supply chain.

## **About the VIVEKANANDA INTERNATIONAL FOUNDATION**

The Vivekananda International Foundation is an independent non-partisan institution that conducts research and analysis on domestic and international issues, and offers a platform for dialogue and conflict resolution. Some of India's leading practitioners from the fields of security, military, diplomacy, government, academia and media have come together to generate ideas and stimulate action on national security issues.

The defining feature of VIF lies in its provision of core institutional support which enables the organisation to be flexible in its approach and proactive in changing circumstances, with a long-term focus on India's strategic, developmental and civilisational interests. The VIF aims to channelise fresh insights and decades of experience harnessed from its faculty into fostering actionable ideas for the nation's stakeholders.

Since its inception, VIF has pursued quality research and scholarship and made efforts to highlight issues in governance, and strengthen national security. This is being actualised through numerous activities like seminars, round tables, interactive dialogues, Vimarsh (public discourse), conferences and briefings. The publications of VIF form lasting deliverables of VIF's aspiration to impact on the prevailing discourse on issues concerning India's national interest.



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