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I will now give the floor to Douglas Paal, who chaired a session yesterday. He was also involved in national security affairs, not to my knowledge of India, but the United States, so he also has a wonderful combination of experience in government as well as think tanks now. Douglas, I hope you will clarify this Indo-Pacific concept a bit from the viewpoint of the United States.

Douglas Paal

Thank you Thierry, and I want to follow up on precisely on what you said and take advantage of Mr. Narayanan's sage observations as a point of departure. For me, it is always useful to remind myself as an American and my colleagues in the country, that as a result of our unique geography and relatively short history, we tend to think of foreign policy problems as things you address, you solve, and you move on. Whereas if you are living in India next to China, you have been there for a few thousand years, the likelihood is you will be there for a few more thousand years, so you cannot always solve the problem, you have to manage it, you have to deal with it. This has been a challenge for the US in the framework of the Indo-Pacific, as we are calling it today. To fast forward quickly historically, in World War II, Asia forced upon an internally focused America and a decision was made to emphasize or prioritize victory in Europe before Asia. The question of how to deal with Asia was resolved technologically by the discovery of the atomic bomb, which shortened the war and allowed the US to move on to post-war conditions. In the aftermath of that, a decade later, we tried to organize East Asia under John Foster Dulles and Dwight Eisenhower, as one of the poles in dealing with the great Cold War competition with the Russians in the Soviet Union. In 1954 in Bangkok, we organized an organization called SEATO, Southeast Asian Treaty Organization, which was to be the Asian NATO. That had a very ill-fated life because it never really adapted to the realities of a post-colonial Asia, an emerging Asia, that was very diverse culturally, ethnically and economically.

Fast-forward again and at the end of the Cold War we saw the unipolar moment coming sort of, and Australia's Bob Hawke, the Prime Minister at the time said what we need is to create an Asia Pacific Economic Cooperation forum, APEC. Some people said this is four adjectives in search of a verb, but we tried to find a way of pulling together the Asia trends, but mostly an economic framework on it. We were trying to address the very strong economic relationship between the United States and Asia, where American market demand was feeding the rapidly developing economies of then Korea, Japan, South Korea and eventually Taiwan. APEC had its moment in the 1990s and then we went into the period of globalization, and we did not think

so much in terms of Southeast Asia, East Asia or Africa, we thought in terms of movement of capital, global supply chains, seeking opportunities. Asia had very friendly governments in many cases, Asian Tigers, who welcomed that kind of investment. We had a period where very strong American economic market rule sat alongside the leftover alliances that were a legacy of World War II and its aftermath. This continued fairly satisfactorily until 2007 and 2008 with the global financial crisis and globalization came under challenge, and during which China had become a member of the WTO. We started to see the shift from the American market being the centerpiece for economic activity in the Asia-Pacific region to something new and we are still adjusting to that. We have not been able to disaggregate what we want to do economically with what we want to do strategically.

I think that brings us to today, where we face three kind of large contradictions in American policy towards the Indo-Pacific. The first is economics versus security. The Asian-Pacific or Indo-Pacific countries have economic priorities that are not looking for strategic or security conflicts. The second is the Americans were oscillating between the two before 2010. Since 2010, the rise of Chinese military power and comprehensive capabilities, has started to shift the US focus from the economic, where the US is no longer the market of greatest relevance to partners in East Asia Pacific, to focus more on the security side. We are also seeing a contradiction in the region with the US over coalitions versus fragmentation. With the current Biden administration, people will talk about the building of the QUAD, the reinforcement of the G7, the continued reduced role of the G20, as well as coalitions of countries who are resistant to what they see as Chinese aggression in the Asia-Pacific region and want to form informal arrangements to resist further Chinese encroachments. This contradiction can be seen in this coalition. We are talking about the Indo-Pacific, so we have got India at one end and the US at the other end of the Pacific. However, the three big coalitions economically in the region are the ARCEP, the Comprehensive Partnership for Pacific Trade and the Digital Economic Framework, of which neither India nor the United States is a member. The coalition is going on with their own dramatic developments and yet, we are outside them. Finally, we have an increasingly legalistic, regulatory securitized approach of the US to transactions between Indo-Pacific countries and China. I think the outlook is for far more intervention by the US into trade, investment and technology relationships as we go forward. I think the contradictions and the challenges of the Indo-Pacific stand foremost in the prospect that I see for the next few years in the region. Thank you.

Thierry de Montbrial

Thank you very much, Douglas. Very interesting but also a bit Impressionistic.