

Research on Strategic Choice of Enterprise Innovation Under the Shared Economy

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ABSTRACT

The “Indo-Pacific” region has become the focus of the game among the world powers. However, India has not been able to fully embrace it. This paper attempts to analyze India’s contradictory role in its “Indo-Pacific” strategy. This paper argues that India’s goal of strategic autonomy sets it apart from the United States. Additionally, India’s common interests with China also makes it the weakest part in the four-country alliance. In the future, India is likely to stick to its current inclusive policies and develop itself in a way that balances benefits between countries.

Keywords: “Indo-Pacific” Strategy, India, Asia-Pacific region

1. PREFACE

In the report, National Security Strategy, released by Trump administration on December 18, 2017, the concept of “Indo-Pacific” was raised for the first time, as well as the “Indo-Pacific” strategy especially constituted for China in “Indo-Pacific” region. Then, “Indo-Pacific” was mentioned in various occasions in the US, Japan, Australia and India. The “free and open Indo-Pacific” could be seen in official documents and bilateral and multilateral statements. The “Indo-Pacific” had transferred from a geological concept to a political strategic standpoint. As an essential part in “Indo-Pacific” strategy, India’s contradictoriness and the reasons for this is the topic of this article.

2. INDIA’S CONTRADICTION IN “INDO-PACIFIC” STRATEGY

India is facing two security issues, the territory issue and ocean security issue. This is not abnormal nor special because the major powers in the continents usually have premium ocean geographic condition. However, this paradox should be redefined in the complex global environment, where cooperation, competition and argument constitute the international politics. In some areas such as freedom of navigation could align India’s interest with the US and other countries but to establish a good relationship with China is also in line with India’s interest. This is because in certain degrees, it is the right logic to transform the

better economy to a better politics. Currently India is at stable condition in Indo-Pacific economic, politics and security environment. However, once the scope of crisis expands, the stable environment would dissolve and contradictoriness would arise.

2.1 India’s Proposal of Independent Strategy

During the Modi administration, the India-US relationship starts warming up. However, during the interaction with the US, India never give up the pursuit of independent strategy. As a result, some conflict exists between India and the US. To keep India’s “strategic independency” is the consistent principle in India’s foreign policy, and this makes India’s hesitation in Indo-Pacific strategy.

Firstly, India insists a tolerant attitude in India and Pacific issue and this is contradict to American’s strategy to use India to balance Chinese and make issues between India and China. From 2012, the Singh administration emphasis in various statements to “build an open, harmony, comprehensive and transparency regional framework, especially taking the ASEAN as the center.” [1] Furthermore, the Singh administration emphasis the necessity to maintain India’s strategic independency. For example, the then national security consultant Shivshankar Menon pointed out that India should not conceptualize the geographical political meaning of Indo-Pacific, especially he was opposed to the assumption of China-India ocean race. [2] The Modi

administration continued the Singh administration’s strategy and they repeatedly emphasis the comprehensiveness of India’s Indo-Pacific strategy. India’s vision in this area is positive and the vision was made up with six components: The comprehensiveness, ASEAN as the centre, the order based on rules, the equality to obtain public resources, the freedom of trade and connection.[3] When all these components are taken into consideration, a subtle balance activity shows up. The emphasis of equality to obtain public resources and connection is the commitment of Align between the US, Japan, India and Australia. Besides, the comprehensiveness, center of ASEAN and freedom of trade let India make a commitment that India would not be an affiliation of power politics during the cold war. [4]

Secondly, India is a member of the Non-Aligned Movement. The foreign policy of Non-Alignment prohibited India to establish official military alliance with any country. At one hand, India is not willing to become a part of the US’s global alliance system. Because India is aimed at becoming a major power, to become an affiliation of the US’s global strategic system would constrain India’s foreign policy. [5] At the other hand, the territory conflict between India and China mainly exists the land demarcation rather than ocean demarcation. Although China has already expanding its navel activity in Indian ocean to build a “pearl chain”, its military ability is still limited in Indian ocean. This is because India improved the cooperation with Japan navy and it also established a strong security relationship with Singapore. Indian also made visit to Cam Ranh Bay.[6] In a nutshell, its doubt that Indian would form a strong alliance with the US.

Lastly, when India is making effort in economic development, interest conflict would be on avoidable between Japan and the US. During Trump’s champion to presidency he made the initiation to “Make America Great Again”. After his presidency, Trump’s actions reflected his strategic idea of priority. Economically, the US National Security Strategy, emphasized the revitalization of economy. Trump administration showed a clear protectionism in economy to build a “fair and reciprocal” economic order. In Trump’s speech in APEC 2017, he complained that the US paid a lot but was not treated fairly by other countries. The US bared a huge loss in international trade and demand to “follow the rules” and would not stand the “unfair trading terms”.[7] From this point, the conflict between America and India is unavoidable. In October 2017, the first round of America-India’s trading policy negotiation, the US representative Lighthizer indicated that the U.S was not satisfied with the 30 million trade deficit with India. He demanded India to expand access to American goods, remove trade barrier and reinforce the protection of intellectual property to build a more balanced trade partnership. “India should promote the

free trading to benefit the US export.” This is no doubt increase the possibility of America-India conflict and reduce India’s enthusiasm to participate Indo-Pacific strategy.

2.2 The Common Interest Between China and India

China and India have common economic interest. As shown in Figure 1, India’s export to China has been steadily risen since 2016. As shown in Figure 2, From 1990 to 2019, China’s portion in India’s global trading rose from 0.2% to 11.7% and becomes India’s largest trade partner. From economic perspective, the India’s dependency to China made it cannot alienate China. Based on this tight connection, the cost of India to build “anti-China alliance” with other countries would be high.

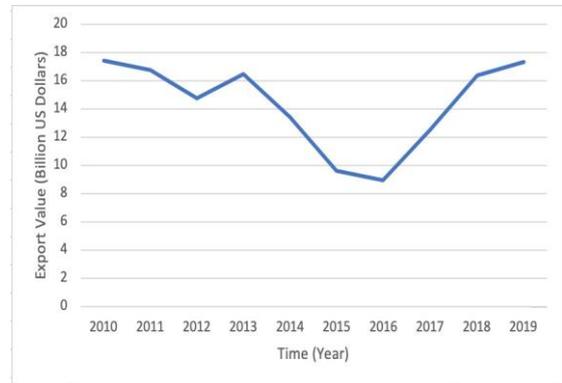


Figure 1 India’s export to China, 2010-2019 (Billion US Dollars) Source: UN Comtrade

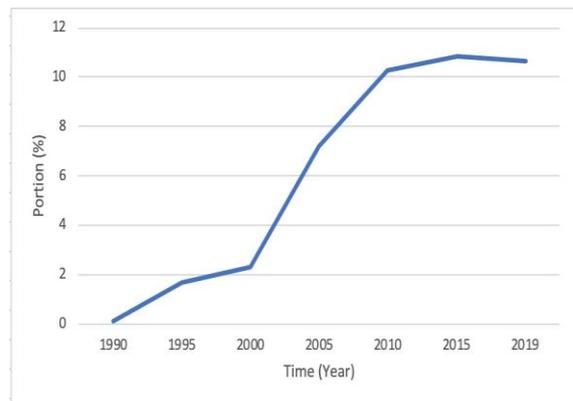


Figure 2 China’s portion in India’s global trading, 1990-2019 (%) Source: Author’s Calculation Based on Data from UN Comtrade

There are other common interests between India and China. At one hand, the world economic and political center is transferring to Indo-Pacific region. As the top two developing countries in this region, only the joint development of these two countries could promote the development of Asia, the competition between China and India is contradict to their goals to lift people’s

living standards. At another hand, historically speaking, the two countries all experienced colonial period and are all facing the task to build a strong and modern nation and prosper economic growth. The peaceful and stable environment plays an essential part during this process. A lot of cooperation opportunities exists, as well. Even though Modi's foreign policy is criticized as a stage-play, India's efforts to build political relationship with southeast Asian countries had proved that New Delhi is willing to support frontier countries of China, then to play a leading role, but not only a balancing role, in global affairs that was proposed by then minister of foreign affairs of India, Jaishankar. [8]

In general, India is the weakest part in the four-country alliance because India's stand in Indo-Pacific region is different from other three countries. The US is afraid of losing the leading role in Asia strategy. Japan worries about the security issue of territory conflict with China. And Australia is worrying about China's infiltration in Australian society and the US's power decrease in Asia. Due to India's national defense relationship and strategic partnership with Russia, India-America relationship would be hard to deal with. At the same time, India is still seeking contacts with China in regional order and keeping a firm stand in China's national security issue. To avoid irritating Beijing, India has consistently rejected Australia's request to participate in the annual Malabar naval exercise. In April 2018, Modi and Xi Jinping held India's Indo-Pacific Strategy Meeting in Wuhan. It is believed that this meeting finally resolved the tensions surrounding the 2017 Doklam crisis and prompted an American analyst to condemn India as "The weakest link in the four-party meeting." This shows that India's goal is not to be hostile to China, but to respond to China's rise in a way that benefits India without damaging India's sovereignty or national interests. Therefore, if the Indo-Pacific region begins to form a containment strategy, India may step on the brakes.

3. POSSIBLE COUNTERMEASURES FOR INDIA IN THE FUTURE

Firstly, for its national interests, India is likely to follow the path of persisting in maintaining peace and stability in the Indo-Pacific region, promoting the institutionalization of the Indo-Pacific region, and forming an inclusive institution to accommodate China and other countries in the region. However, this path also has difficulties. On the one hand, countries need to find a suitable function for this new Indo-Pacific institution, so that it will conflict with ASEAN and East Asia Summit. On the other hand, successful system construction requires a clear division of labor for different forms of leadership. This requires efforts and cooperation between China and the US and will also depend on the strategic policies of other countries, especially Australia and Japan. This solution may or

may not succeed, but this inclusive effort is consistent with India's current strategy and is also conducive to regional stability.

Secondly, India's strategic policy framework should take into account the nuances of emerging multiploidization and the deepening of "vertical and horizontal meshing" brought about by the globalization process. Although the principle of keeping equal distance and balance among power centers may become a constraint, the position of "strategic autonomy" remains unshakable. India hopes to use the "Indo-Pacific" strategy to realize its dream of being a great power, but at the same time it is unwilling to engage in hostility with China. This in itself leads to India's contradictory situation under the "Indo-Pacific" strategy. Therefore, the Modi ministration may more pragmatically and cautiously promote the implementation of the "Indo-Pacific" strategy in the future, continue to use the "eastward advance" policy as the cornerstone, and strive to achieve maximum benefits in the balance.

4. CONCLUSION

India's role in the "Indo-Pacific" strategy is contradictory. On the one hand, India has rapidly aligned with the United States strategically, strengthened military, intelligence, and economic exchanges and cooperation, and reached agreement with the United States on some strategies. This is mainly for three reasons. First, India and the United States have common strategic interests in balancing China's power. Second, India's dream of being a great power needs to rely on the services of the "Indo-Pacific" strategy. Third, out of India's security logic, India is militarily closer to the West to resist the threats posed by China's and Pakistan's nuclear weapons, while at the same time hedging China's One Belt One Road policy and safeguarding India's rights and interests in the South China Sea.

On the other hand, India and the United States also have conflicts that are difficult to reconcile under the "Indo-Pacific" strategy. Strategic autonomy has always been the cornerstone of India's foreign policy. First of all, the trade protectionist policy and the "America First" policy adopted by the United States have harmed India's economic interests. Secondly, out of the mentality big power and the policy of non-alignment, India is unwilling to become a vassal of the United States in the "Indo-Pacific" region. Furthermore, out of the need for stability in the "Indo-Pacific" region and the common interest with China, India has an inclusive mentality towards the development of the "Indo-Pacific" strategy and is unwilling to use it to restrict China.

In general, India is the weakest link of the four countries under the US "Indo-Pacific" strategy, and India's attitude towards the "Indo-Pacific" strategy is

also quite ambiguous. In terms of development prospects, India is likely to continue to adhere to an inclusive policy, and strive to promote the institutionalization of the "Indo-Pacific" region, while balancing the interests of major powers, and avoiding containment of China's development while developing itself.

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