



Select Committee on International Relations and Defence

Corrected oral evidence: The UK's security and trade relationship with China

Wednesday 21 April 2021

10 am

Watch the meeting

Members present: Baroness Anelay of St Johns (The Chair); Lord Alton of Liverpool; Lord Anderson of Swansea; Baroness Blackstone; Lord Boateng; Lord Campbell of Pittenweem; Baroness Fall; Lord Mendelsohn; Baroness Rawlings; Lord Stirrup; Baroness Sugg; Lord Teverson.

Evidence Session No. 6

Virtual Proceeding

Questions 61 - 66

Witnesses

I: Dr Tanvi Madan, Director of the India Project, Senior Fellow on Foreign Policy, Brookings Institution; Dr Garima Mohan, Fellow, Asia Programme, The German Marshall Fund of the United States; Professor Akio Takahara, Professor of Contemporary Chinese Politics, Graduate Schools for Law and Politics, University of Tokyo.

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Examination of witnesses

Dr Tanvi Madan, Dr Garima Mohan and Professor Akio Takahara.

Q61 **The Chair:** Good morning. I welcome to this meeting of the International Relations and Defence Select Committee in the House of Lords Dr Tanvi Madan, Director of India Project and Senior Fellow on Foreign Policy at the Brookings Institution; and Dr Garima Mohan, Fellow, Asia Programme at the German Marshall Fund of the United States. I should say good afternoon to our next guest, who is speaking from Japan, Professor Akio Takahara, Professor of Contemporary Chinese Politics, University of Tokyo. Thank you for joining us to share your expertise as we continue our evidence-taking sessions for our inquiry into the UK's security and trade relationship with China.

At this stage, I remind members and witnesses that our session is on the record, transcribed and broadcast. I also remind members to declare any relevant interests before asking their questions. If there is any time remaining at the end of the formal run of questions, I shall invite my colleagues to ask supplementaries at that stage. Priority is always given to those colleagues who have not yet been given the opportunity to ask questions.

I will begin with the first question, which, as usual, will be very general in nature, and then I will turn to my colleagues for more incisive questions. To launch the first question, how do India, Japan and other countries in the region perceive China's increasing economic and military power, and its goals?

Dr Tanvi Madan: Thank you to the Committee for this invitation to give evidence. I would like to preface my answer with the note that my comments represent solely my personal views and do not reflect the views of the Brookings Institution, its management or its other scholars. To answer the question, India had seen China's rise as both a challenge and an opportunity. With regard to the latter, there was hope that India, like other countries, could benefit from economic ties with China. You saw those, over a 20-year period, grow from almost nothing to almost \$80 billion in trade last year with China being India's largest trading partner in goods.

There was also a sense that India could benefit from co-operation with Beijing in the multilateral realm. There was some hope that these co-operative elements in the relationship could alleviate political strain and the bilateral, regional and global differences between the two countries, or, at least, that they would buy India some time to close its capability gap with China, which has been its rival since the 1950s. Even if not fully dashed, these hopes have faded. That is because of not China's rise *per se*, but its actions. Delhi sees Beijing as having become more assertive after the global financial crisis in 2008 and even more so since Xi Jinping came to office in 2012.

Since that time, there have been at least four serious boundary standoffs between the two countries over the dispute that the two countries have,

including the ongoing crisis that has lasted a year now. As far as India is concerned, it sees the current military standoff as having been sparked by unilateral PLA—People's Liberation Army—attempts to change the status quo at the boundary. The current crisis, along with Beijing's response to COVID, has reinforced or accelerated India's concerns about China and the impact of the actions of the Chinese government, military and businesses in India's neighbourhood and on the global stage.

India sees growing Chinese assertiveness as a consequence of its growing power, its regime's goals at home and its desire to exercise dominance in the region. It sees these recent actions, not just the boundary standoff but what it sees as assertiveness across the region, as a sign that, for Beijing, "hide and bide", hiding its capabilities and biding its time, is no longer the preferred approach, and that Beijing sees the US and other countries as on the back foot and seeks to take advantage.

Finally, while a number of countries in the region share India's concerns about an assertive China, others see it as a security challenge but an economic opportunity. Yet others see it, largely, as beneficial. This is very much India's view, which is not necessarily shared, for example, by its neighbours.

Dr Garima Mohan: Good morning and thanks for the opportunity to speak before this committee. To add to what Dr Madan has said, I will give a more regional perspective. Countries in the region, beyond India, are perceiving China's economic and military power with increasing concern, often because there is no clarity on China's goals and strategic calculus. As Dr Madan mentioned, China is using a range of tools to change the regional *status quo*, particularly when it comes to boundary disputes in the South China Sea and the Himalayas.

Overall, when we look at China's military goals and power, according to the US Department of Defense report on China's military power in 2020, the modernisation of Chinese armed forces to make them better suited for joint operations, improve combat readiness and, most importantly, expand the PRC's overseas military footprint is causing concern among many in the region. We have all heard about the South China Sea issues. Particularly in South-East Asia, the military inroads China has been making in the region often lead to undermining ASEAN¹ unity and create concern among South-East Asian countries.

The growing economic and military reach that China has in the Indian Ocean has precipitated considerable anxiety in the region. China has significantly expanded its military footprint in the Indian Ocean area, which has been used for benign activities but also for conflict-time activities. This has alarmed countries such as India and should be of concern to Europe.

When it comes to the economic footprint, as Dr Madan mentioned, a lot of countries see opportunity in engaging with China, but three types of

¹ The Association of South-East Asian Nations

concern have followed. The first is that economic investments might be dual-use, which means that they can be mobilised in the case of conflict. Even though we do not see any immediate examples of this, concerns about long-term implications are there across the region. The second is the issue of what is referred to as a debt trap. Smaller countries in South Asia, South-East Asia and the Pacific Islands have expressed concerns about whether they can navigate China's political influence, which follows economic investments, while retaining their freedom of manoeuvre.

The third is coercive economic diplomacy, not just to its smaller countries but towards countries such as Australia. Coercive economic diplomacy from the Chinese side includes threats and imposition of trade-restrictive measures to punish over a dozen countries since 2010. We saw first the example of Norway, then the obstruction of rare earths to Japan. Most recently, many believe that, after Australia's call for an independent inquiry into the origins of the COVID-19 crisis, China triggered a multitude of punitive measures against Australian exports. Broadly speaking, these are the major concerns that countries in the region see with China's growing economic and military footprint in the Indo-Pacific.

Professor Akio Takahara: It is such a pleasure to be able to take part. China has been helped by Japan. Japan helped China greatly in the process of its development through ODA—official development assistance—private sector investment and technology transfer. I must say that we, on our side, have also benefited from the growth of the Chinese economy. However, we cannot agree with their use of economic power for political influence as was mentioned by the two other witnesses. This is increasing in recent years, so we are most concerned about it.

South Korea, for example, has been hit hard by the economic sanctions from China over the deployment of the THAAD missile system.² Their attitude has changed, but, unlike Japan, they are unwilling to be open about their opposition to China on this or that, so it works in a way. We are most concerned about the frequent use of such economic statecraft that China has been implementing in these times. As for the rise of China's military power, we are deeply concerned. China's maritime advancement is real and it poses a direct threat to Japan's territory and our sea lines of communication.

We are adamantly opposed to the use of physical force to change the status quo. This goes against the UN charter and the peace and friendship treaty that we have with China. It is most important that the Chinese people understand this basic point. The Japanese people are most angry about what the Chinese coastguard vessels have been doing around the Senkaku Islands in the East China Sea, which they started to claim to be their territory from 1971.

It is a difficult game, because we have a lot of co-operation with them on economic and non-traditional security issues. We need to co-operate and

² Terminal High Altitude Area Defense, an American anti-ballistic missile defense system.

co-exist with China on the one hand. On the other hand, we cannot avoid competition with China. Therefore, I call it a two-pronged approach that we have to take. We need to compete and co-operate at the same time. This is going to be increasingly difficult, since the competition is going to intensify and co-operation, on the other hand, will deepen. It is going to be a tough path to take. However, we have to go this middle line, hang on and persevere, because this is the only way forward. We will be criticised from both sides. Those who focus on the security side of things, say we are too weak and those who focus on the economic co-operation side will criticise this approach, in that we are being too tough. We need the resilience and wisdom to hold on to this position.

Q62 Baroness Blackstone: I wonder if you would tell us to what extent countries in the Indo-Pacific share the US's concerns and objectives on China. How likely do you think it is that they would join US-led initiatives on China?

Dr Tanvi Madan: India shares a number of American concerns about China, including China's uncertain intentions and the unilateral changes to the *status quo* with the threat or use of force, as Professor Takahara mentioned, whether that is in the East China Sea and the South China Sea, or at the China-India border. There are also concerns about trade deficits, limited market access for Indian companies in China and a general lack of reciprocity in the economic relationship. India shares US concerns about intellectual property theft, forced technology transfers, preference for state-owned companies and the blurring of the public and private sector lines in China.

India also has the same concerns about the nature and effect of Chinese economic engagement in the Indo-Pacific exacerbating, among other things, unsustainable debt burdens, as Dr Mohan mentioned. Like the US, India is concerned about Beijing's use of economic leverage and even coercion for strategic and political ends, as well as China's attempts to influence international institutions such as the WHO in certain ways. India agrees with broad elements of the US approach to dealing with China, including seeing the US-India partnership as a critical part of the required response. For India, the US and other partners can be helpful in balancing China and offering alternatives in a neighbourhood that is more competitive and looking for choices. The US can also help build India's capabilities.

There are, however, certain differences of approach as well as emphasis in the way India deals with China. For instance, India hopes that Russia will be part of the solution to its China problem despite its growing concerns about deepening Sino-Russian ties. Delhi also stands to temper its rhetoric versus China and does not tend to call it out by name. For instance, India does not emphasise ideological competition as much. It tends not to raise issues related to democracy and human rights, such as Xinjiang or Hong Kong, particularly in public. As another difference, India continues to have questions about the US's willingness and ability to play an effective balancing role in the region, given its own constraints these days.

As for joining initiatives involving the US, as far as India is concerned, it really depends on the initiative, its objectives and even how it is framed. If it is consonant with India's views and preferred approaches, India has been willing to join these initiatives, because it recognises that it does not have the capability to go it alone given China's growing military and economic power. You see India, for example, participate in the Quad, the quadrilateral grouping of Australia, India, Japan and the US. India agreed to the leaders' summit that took place about a month ago, which the US proposed. You do not see India signing on to other US initiatives, such as multilateral statements that criticise China on Xinjiang.

I will say one thing about framing. India has concerns about China, but because of the co-operative elements of the relationship, and the fact that China is a neighbour and it has to deal with it, it is easy for India to join the US or other countries' initiatives if they are not explicitly framed as US-led or anti-China.

Dr Garima Mohan: It is very important to underline, as we pointed out in response to the first question, that countries in the region have their own concerns regarding China, stemming primarily from China's behaviour in the region. Hence, countries will align with the United States where their interests converge. My second point is on the overt approach of confrontation with China or an anti-China alliance, as Dr Madan mentioned. There is very little appetite for that in the region. A transactional treatment of allies, as we often saw under the Trump Administration, is not appreciated.

However, the Biden Administration's approach, as we see unfolding now, is to build coalitions to cope with a multitude of China-related challenges. This will go down well simply because it affords countries in the region flexibility of which coalitions they want to be a part of or which issues they want to push against. Dr Madan illustrated this for the case of India, but it applies to a number of countries.

With the Quad leaders' summit, we see a focus on provision of public goods and alternatives to Chinese investments. Whether it be on the distribution and production of vaccines, emerging technology, 5G or climate change-related issues, framing it in a positive way will get more countries on board than framing it as a confrontational anti-China coalition. One needs to highlight that China is increasingly viewing countries through the prism of their partnership with the United States, which is, again, a factor that we will have to consider going forward.

Professor Akio Takahara: As for whether Japan will join US-led initiatives, the answer would be that it depends. When Japan started to face immediate problems, such as frictions in the East China Sea that became very serious in 2010 and 2012, we were very anxious to tell the world that this is not only an issue between Japan and China. It is not a bilateral issue. Rather, it is a matter of international principles: whether we would like to defend the UN Charter and solve international conflicts through peaceful means and not by the threat or use of force.

At that time, Washington was not so interested in facing China over these issues, because it saw them as bilateral between Japan and China. Now the policy pendulum has swung the other way. The Americans are very focused on the competition side of their relationship with China. The positions have changed and we are trying to tell the Americans, "Do not look only at the competition side of things. There is the co-operation side too". That is the current situation.

Not only Japan but many countries in the Indo-Pacific rely on the United States for their security. We are very serious about reinforcing our alliance with the US vis-à-vis a rising China. There is no question about that. It is a complicated situation now. If the US initiative affects our business interests in China and alienates our potential partners in the Indo-Pacific, we will need to talk to the US for a better solution.

Q63 Lord Teverson: My question comes back more to home here in the UK. How is the UK regarded by India, Japan and other countries in the region? What do they think of the Indo-Pacific tilt in the Integrated Review? We look forward to your objective answers to this question as a UK committee.

Dr Tanvi Madan: I will try my best. For India, I will mention, first, the bilateral dimension and then perhaps where the UK-India partnership potentially fits in, in the Indo-Pacific. For India, the UK is an important part of its diversified portfolio of partners. India prefers a diversification strategy to an alliance model. This is to preserve its strategic autonomy but also because it does not want to depend on any one partner. It does not want to depend on only the US, for instance.

India tends to seek these like-minded partnerships because it understands that, alone, it does not have the capabilities to achieve its strategic and economic objectives, which include maintaining its security in the face of a rising China's assertiveness. For India, partners such as the UK can help build its own military and economic capabilities, and ensure a favourable balance of power and a rules-based order in the region. Partners can help provide alternatives in the region, as some of us have mentioned, and can be allies in the broader sense of the term and provide assistance in the global arena, including in multilateral fora.

The UK can be, and has been, useful and helpful for India in each of these dimensions, particularly in a period such as this, where the UK has the G7 presidency and is hosting the climate change summit. Particularly over the next two years, while India is a member of the UN Security Council, I think you will see interests in working together in the multilateral domain that I mentioned. India will welcome the UK's desire to refresh the partnership.

On the Indo-Pacific and the tilt mentioned in the Integrated Review, I will say that India sees the UK as a country that has a legacy in the region and, therefore, has diplomatic and development infrastructure across it. It sees the UK as a country with a presence in the region. Some of that is a source of difference with India, but India does see the UK as bringing

certain capabilities, especially in the technology and maritime domains but also in the development partnership realm. It also brings partnerships in the region that can be helpful to the broader goals. It can also help reinforce the norms in the region that Professor Takahara mentioned.

India has, in the past, seen the UK as largely missing from the conversation, as the web of allies, partners and coalitions has been coming together over the last few years in the Indo-Pacific. For that reason, India broadly welcomes the Indo-Pacific tilt, while it waits to see what kind of resources and approach on the ground will come with that. I think India would like how the Integrated Review recognises where the UK has comparative advantages, functionally and regionally.

There will be questions in New Delhi about how London makes some trade-offs, including in the balance between defence and development mentioned in the review and some of the questions on China. The latter is important because the review suggests a balancing act that, as Professor Takahara mentioned, is getting harder and harder to pull off. Finally, how will the trade-off between geopolitics and values play out?

India will hope that Britain understands that it is arriving to a party that has been going on for a while. It will be welcome because it is a friend, but how well it fits into the existing dynamic and what it brings to the table will determine how great that welcome is. There will be a hope that the UK seeks not to replace others but to supplement efforts; that, at the very least, it will not work at cross purposes in the region; and that it will be part of and interested in some of these coalitions that are developing, particularly where the UK has strengths, whether that is in the development domain, the western Indian Ocean region, the eastern-southern African littoral of the Indian Ocean or even spaces such as soft power and information dissemination.

In this regard, the BBC is a strength for the UK. I think there will be hope that it will work with others on things such as technology and supply chains, use its ODA strategically, and bring a lot of value in the region where resources, even for countries such as India, Japan, Australia and the US, are constrained.

Dr Garima Mohan: Countries in the region definitely see a role for Europe in the Indo-Pacific. We did a study on this. Through interviews in 2018 and 2019, we found out that particularly the UK and France are seen by partners in the region as important, because they have assets to send to the region and a substantial diplomatic network and understanding of the Indo-Pacific. Many were waiting for the Integrated Review and the Indo-Pacific tilt eagerly in the region.

The tilt is somewhat less pronounced than people were expecting, with the primary focus being on Euro-Atlantic security, for understandable reasons. I think regional partners also expected a little more clarity on the UK-China relationship, particularly in walking the tightrope between co-operation and competition, which, frankly, all countries have to navigate at this point. The review did a great job in highlighting the

importance of partners such as India and Japan, but also the difficulty and resource constraints any European country will face when engaging with a region as vast and far away as the Indo-Pacific. In that sense, the review was a realistic assessment of what the UK can do.

The review mentions transforming the UK-India partnership, which, of course, New Delhi has taken note of, based on not just a new trade agreement but a closer security and defence partnership, and building on the biannual ministerial dialogues. I found it interesting that the review mentioned that the UK has the largest single-country network of diplomats in India. It is really leveraging its presence and history with the country in order to transform the UK-India partnership.

The overall focus of the review on science and technology is quite interesting. This has been an important element of the UK-India relationship since 2015, given the UK-India tech alliance, but also because a lot of debate is taking place in the Indo-Pacific region on the question of emerging technologies. This includes critical technologies, such as AI or 5G. We have seen this mentioned in the Quad leaders' summit where there will be a working group on these issues. I think the region would expect the UK to contribute to this debate, since the focus on science and technology is so prominent in the Integrated Review.

Professor Akio Takahara: As you know, many Japanese love the United Kingdom. Our love is deep; our love is wide. For historical reasons, we learned so much from your experiences in modernisation and we really treasure the memory of the alliance that we had over 100 years ago. It worked so well. We know that the UK is the champion of democracy and universal values. It is full of soft power. As Dr Madan mentioned, the BBC is a world-respected institution. Therefore, it is very encouraging that there is this tilt to the Indo-Pacific.

When we think about issues such as Hong Kong, the Japanese people love Hong Kong too. Many Japanese have been to and lived in Hong Kong because our business relationships are so deep. We were heartbroken by the developments in Hong Kong in the last two years. We know that our friends in the UK share the sentiment, sadness and pain that we feel about what is happening there.

Your legacy in the region about the rule of law is so important and something that we need to treasure, which is a very important element of the free and open Indo-Pacific that the Japanese government have proposed and been promoting. We are much encouraged by the tilt and by the UK's interest in joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. I have been proposing that we should change the name of the CPTPP, as it is so difficult to pronounce. Why do we not call it the free and open TPP, which is open to countries from other areas of the world? We very much hope that you will be able to join the TPP in the near future.

Q64 **Lord Stirrup:** We have already heard from Dr Madan, with regard to the UK's Integrated Review, that the balancing act with China is becoming

harder and harder to pull off. That must, of course, be true for everybody. I would like to ask our witnesses for their views on the areas of competition and co-operation between China and Japan, between China and India, and between China and other significant countries in the region. I would be particularly interested in those areas where the co-operation and competition tend to conflict with one another within those single nations and, indeed, between nations.

Dr Tanvi Madan: The co-operation between China and India has involved diplomatic engagement and some military confidence-building measures. Over recent years, there have been attempts to improve civil society engagement, particularly between universities, think tanks and the media. There have been expanded economic ties, as I mentioned, and co-operation in plurilateral organisations as well as multilateral ones. For instance, China and India are members of the BRICS grouping with Brazil, Russia and South Africa. They also have a Russia-India-China trilateral, which meets annually at least.

India and China are members of the Shanghai Co-operation Organisation, which China helped to found with Russia. India is a founding member and the second largest shareholder of the Asian Infrastructure Investment Bank. India and China have tended to co-operate in areas where they have similar perspectives, either in substance or in principle. For instance, both countries can be sovereignty hawks. Broadly, India's idea for this co-operation has been to keep the relationship stable, in order to focus on its own socio-economic objectives, not require diversion of expenditure from development to defence, and buy time to enhance Indian capabilities, especially given the rising capabilities gap with China.

There has been hope, as I mentioned earlier, that it can benefit economically from China's rise, and that engagement could incentivise Beijing to respect Indian sensitivities or offer India opportunities. Finally, there was a hope that this co-operation, and the more stable equilibrium it would build with China, would diminish the need for India to deepen its ties with and depend on other partnerships. The areas of co-operation have been overshadowed by the competitive side, particularly over the last year. There are a number of bilateral differences beyond the boundary dispute, including the question of Tibet and the presence of the Dalai Lama in India, the sharing of the Brahmaputra waters and the economic concerns that I mentioned earlier.

There are also regional differences that India has with China, including Beijing's longstanding strategic relationship with Pakistan, which has deepened in recent years because of the China-Pakistan economic corridor. India has concerns about China's growing footprint in its territorial and maritime neighbourhood, and the influence it might exercise on the choices of countries in South Asia and the Indian Ocean. Globally, there is competition as well with Indian concern about China's efforts to impede Indian interests or its membership of various organisations. There is a broader sense that China is seeking to prevent India's rise and deny it a rightful voice in some of these groupings.

Underlying all this is a low level of trust, which has fallen further, only exacerbated by the ongoing boundary crisis. This is where that conflict between co-operation and competition has been quite stark over the last year. At the moment, Beijing takes a stance that whatever has happened at the border should be set aside, the boundary dispute should be put in its proper place and they should move on with the broader relationship and the co-operation, whether economic or multilateral.

However, India has publicly said that the relationship cannot go back to normal or business as usual, as long as peace and tranquillity are not maintained at the boundary, which had been agreed between the two countries in a series of agreements between 1993 and 2013. India sees Beijing as having violated those agreements and has said, "We do not know if we can trust China to stick to its commitments or agreements". India has not only said that it will not let the relationship go back to business as usual. Over the last year, it has taken a number of steps that have imposed restrictions or extra scrutiny on a range of Chinese activities in the economic, technology, university and, more broadly, the civil society domains, which will prevent the kind of co-operation they have been developing over the last 20 years.

It is not quite decoupling, but there has been a fair amount of disentangling and definitely a slowdown in the momentum of co-operation that had been building between the two countries, because of this competition and even, to some extent, conflict, given that this boundary crisis resulted in the first fatalities of the China-India border in 45 years.

Dr Garima Mohan: I can only echo what Dr Madan has said about co-operation. It is not only India but other countries in the region that continue to seek economic co-operation with China. I think it will be done with more and more caution. Countries will try to avoid creating over-dependence and will try to reduce Chinese investment in strategic sector projects that have security implications. You asked where competition and co-operation go hand in hand. Economic co-operation is where we see these two go in parallel. As Dr Madan mentioned, India is part of organisations such as BRICS, the Russia-India-China dialogue and the Shanghai Co-operation Organisation, to show that it is open to dialogue and co-operation.

On issues such as climate change and international trade, there are often elements where India and China can find common ground. Then again, these positions are quite tenuous. Overall, aspects of competition such as the border dispute, China's increasing footprint in the Indian Ocean region, its increasing influence in South Asia and India's neighbourhood, as well as China having gatekept India out of international institutions, quite quickly overshadow other areas of co-operation.

As Dr Medan has mentioned, the Indian External Affairs Minister remarked that boundary issues cannot be put aside while the rest of the partnership continues as usual. It seems that China is happy with an unbalanced, conflictual relationship with most of its neighbours, including

India. As long as the economic partnership can go ahead, it wants to solve political and other differences in a parallel track. For countries in the region, it is going to be extremely difficult to put these two in separate boxes. Of course, India has made it clear that it would not want to do that. In terms of competition and co-operation, these are some of the questions we see mirrored in the European debate where even economic co-operation is seeing clear limits. This is largely mirrored in the debate in the region as well.

Professor Akio Takahara: Competition on the maritime front is real and intense. In 2020, Chinese coastguard vessels sailed in the contiguous zone around the Senkaku Islands for 333 days. Almost every day, they came this close to our administered territory. For some people in China who envisage a *pax Sinica* in the region, it is just an extension of the domestic order of China. The domestic order in China is not supported by law or based on rule of law. It is based on the outstanding power of the Chinese Communist Party. I call it *pax Communista*. That is the order in China. Its advancement in the region is just an extension of this domestic order.

I really envy you people in the United Kingdom, in that you are so far geographically from China. The neighbours are really feeling this pressure every day. It relates to not only the immediate security of our nations but this international order that should be and has been based on rules. When we talk about the maintenance of the rules-based order, this is a real issue that we are facing at the moment.

Of course, there is a lot of economic co-operation with China. Last year, because of COVID, the Chinese automobile market shrank by around 1.7% or 1.9%, but Toyota increased its sales of cars by over 10%. Many Japanese enterprises now go into the Chinese market and are increasingly relying on the Chinese market when the European and North American markets are suffering so much because of COVID. That is a reality.

We have many non-traditional security issues, such as environmental protection. We get yellow sand from China. We are very afraid of a possible nuclear accident in China. There is all sorts of pollution in the Japan Sea and the East China Sea. We have to co-operate with China over those issues. Of course, climate change is an important problem in this context. There is anti-piracy co-operation off the Gulf of Aden. Japan changed its laws a few years ago. Self-defence force vessels can now protect a foreign vessel. When it comes to that, we protect Chinese vessels the most.

We co-operate on health, for example against Covid. You name it. The co-operation happens not only bilaterally but in the trilateral framework we have with South Korea. Japan, China and South Korea co-operate on all sorts of issues such as education. My university, the University of Tokyo, has a CAMPUS Asia programme. We send our students to Peking University and Seoul National University. They send their students to ours and they study together.

Many things are happening every day. We have the ASEAN+3 framework. The ALCEP negotiations concluded late last year. This is the regional comprehensive economic partnership. There is a lot of co-operation. To repeat what I said earlier, competition intensifies; co-operation deepens. How can we bear this contradiction? That is the problem we are facing today.

Q65 Baroness Fall: I mentioned my role as Senior Adviser of the Brunswick Group at the beginning. I would like to turn to the question of the quad. There is a lot of focus on the Quad and we have a good idea of what the Americans get out of it. Today, we would like to focus on what you think are the main goals and priorities of Japan, India and Australia for their participation in the quad.

Dr Tanvi Madan: India sees the Quad in terms of its broader perception of the Indo-Pacific. It has a shared, although not identical, vision of the Indo-Pacific with all its Quad partners. It too has what it calls a free, open and inclusive vision of the Indo-Pacific. It sees "free" as meaning countries' freedom to make choices without coercion. It sees "open" as meaning transparent, including to some extent in its sister markets, given its own trade policy. It sees "inclusive" as conveying that other countries and like-minded partners are welcome, especially ASEAN and European partners.

Significantly, for India, "inclusive" means that, if China sticks to the rules, norms and laws, it too is part of India's vision for the region. This is perhaps different from the US, in some ways. Like its Quad partners, India sees China as challenging this vision of the region and the rules-based order that we have mentioned. It does not think that existing mechanisms, such as bilateral relationships, the American hub-and-spoke alliance system in Asia or regional organisations, have been sufficient to tackle the challenge. It neither has interest in an Asian NATO nor believes it is possible. It has been working with a network of partners in different formats. The Quad is one such important format. It is not a silver bullet for India, but could serve as a crucial platform for consultation, co-ordination and co-operation on a range of issues among its like-minded partners in India.

Their agenda, which was built by consensus and has Indian buy-in, is evident from their various formal meetings. It is designed to make the agenda more resilient in various ways. The agenda includes maritime security; humanitarian assistance and disaster relief; critical technologies and cybersecurity; counterterrorism; countering disinformation; supply-chain resilience; quality infrastructure development; and climate change. Increasingly in recent months, it has included co-operating in recovery and response to Covid.

Delhi not only shares concerns with Quad partners about a rising China's behaviour, but sees these Quad partners as well as itself as possessing the military and economic means to shape the balance of power in the region, offer alternatives and affect China's calculations. These four Quad countries, as far as India is concerned, bring different comparative

strengths to the table, but their collective strengths are considerable: military reach, defence innovation, overseas financing, maritime power, natural resources, and systems of transparency and accountability. These are not unique attributes, but Canberra, Delhi, Tokyo and Washington have found that other partners in South-East Asia or Europe often lack the requisite willingness and capability to consult, co-ordinate or collaborate with them, particularly to tackle the China challenge in a similar way.

When the Quad was revived in 2017, it was a way for India to keep the US engaged in the region, at a time when there were concerns about the Trump Administration's commitment to staying in the region. One area in which there is difference among the Quad countries is the approach to trade, as I mentioned. You see this in the UK-India partnership as well. Japan and Australia have signed these various agreements, such as the RCEP or CPTPP, are more forward leaning and have stayed on a more liberalised bent. The US and India have been showing their projectionist instincts in recent years and have not shown interest in such initiatives.

Professor Akio Takahara: From Japan's perspective, we have this vision of the free and open Indo-Pacific. We aim to establish, maintain and develop a rules-based order in the Indo-Pacific region with free navigation and trade, and with all those values implemented. In aspiring to this, we are afraid that China's influence will work in the opposite direction. We have very much in our minds the BRI—the Belt and Road Initiative—that has been presented by the Chinese. Just like the BRI, the FOIP vision has two aspects. One is the strategic aspect, the security side of things, and the other is economic co-operation.

One focus of the Quad is the security side of the matter. Of course, the Quad is not only for security. The summit meeting held on 12 March presented a much broader range of issues that the quad can tackle and manage. That was fantastic. In order to substantiate this vision of the free and open Indo-Pacific, we need these big countries to get together and co-operate. In this context, the involvement of India was so important because India, in the past, had been rather reluctant to take part in such an arrangement that could be seen as excluding China, anti-China or competing with China.

I very much agree with what Dr Madan said. Even in this arrangement, we should try to be inclusive. The four big powers' co-operation is very important, but we need to invite other countries to co-operate with us at the same time. If we show that this arrangement is anti-China, all the other countries will not agree to join with us in our endeavour to promote co-operation, realise a rules-based order and secure developments under this arrangement. Our main goal, on both the strategic and security side and the economic co-operation side, is to provide an alternative to what the Chinese have been showing and doing in the Indo-Pacific region in particular.

Q66 Lord Anderson of Swansea: Good morning. We would welcome the panel's response to the proposals for new institutions such as the D10 or

an alliance of democracies, in part to face the rise of China. Could such institutions be successful in addressing the China problem and more effective than existing formats for co-operation?

Dr Garima Mohan: The existing alliances and institutions we have are not quite up to the task of addressing all the challenges posed by China's rise. As a result of that, we are seeing the emergence of issue-based coalitions across the world. We just talked about the Quad as an example, but we have very interesting trilaterals emerging across the world. For example, Australia, Japan and the United States work together on quality, resilient infrastructure through the Blue Dot Network. Australia, India, Japan are working together on supply-chain resilience. France, India and Australia are working together in the Indian Ocean. We have a few examples of this.

It is heartening to see the UK come up with the idea of the D10, often referred to as the alliance of democracies. For it to be effective, a couple of questions need to be addressed. First of all, is it a G7 adjunct—a G7+3 including Australia, India and South Korea? Will it be a new grouping? Will it focus more on technology standards as was floated last year? For a grouping such as D10 to be most effective, it would be great if it focused on particular issues and on providing alternatives and workable solutions. This is where existing institutions have not quite performed and where new coalitions can have real added value when it comes to dealing with challenges posed by China.

Professor Akio Takahara: To this question, I must say I am not so sure. I think it depends on how these new arrangements are formed and developed, and what they actually do. We should be very careful not to alienate countries that would have second thoughts about taking part in anything that is related to democracy, for two reasons. First, they might fear that it will be taken by China as an anti-China effort. Secondly, in their own countries, they could be having issues over universal values and democracy. It is very important not to be exclusive. If we can find an arrangement not to give that impression, that is good. Otherwise, it may not be a very successful arrangement.

Dr Tanvi Madan: I agree with much of what has been said. These coalitions are here to stay, partly because there are a number of issues involved. To an extent, it is a more competitive landscape. It is taking place across different domains. Countries want to pick and choose. They want à la carte menus rather than set menus. This is one way of involving countries that are not allies but are like-minded in various ways on a particular issue or a set of interests. They will not supplement, however, existing alliances or organisations. The best coalitions will work with these groupings and involve allies as well as partners.

There is a challenge. With the number of coalitions that proliferate, do countries start to have a problem of capacity in managing them and ensuring that there is not unnecessary redundancy or overlap? Even worse, they might work at cross purposes and become confusing, not to mention the issues that Professor Takahara mentioned in terms of how

countries in the region will see them. They will, therefore, need to be involved as well.

The Chair: This is my opportunity to thank all three of our witnesses for their expert addition to our inquiry this morning. It has been a pleasure to meet you, albeit virtually. Thank you for your contribution.