

Transcript — India & The New Anti-China Coalition

Christian Smith: India, the most populous country in the world, the fourth largest economy on the planet, probably on course to be the third and increasingly one of the most interesting geopolitical players in the world. Last week, Indian Prime Minister Narendra Modi made a whistle stop tour around the South Pacific, visiting Australia, New Zealand and Indonesia. And although India's cricket team is familiar with touring the latter two nations, its Prime Minister visits Down under far less frequently, putting to one side all the diplomatic niceties exchanged between the country's leaders. This visit marks a significant development, not just in the Pacific, but in global geopolitics. So today on the podcast, we ask, what does Modi's visit mean and why is it so significant? Welcome to this podcast from Geopolitical Futures. I'm Christian Smith and I am joined by Geopolitical Futures chairman and founder, George Friedman. George, India's Prime Minister. Well, he's been meeting counterparts in Australia, New Zealand and Indonesia over the last week, but Modi visits a lot of other countries. Apparently he's visited about 100 since he came to office. What. What's the big deal about this one? Is this not just another trip to another country?

George Friedman: No, because in each of these countries, including Japan, where the Japanese Prime Minister had visited India and Vietnam, which also had visited, an agreement was reached for cooperative defense work, security work, strategic relationships. So what this was about was something substantial. It was not just a visit. It created a structure of countries built around each other and now, including India as a defensive force, obviously primarily against China. This followed from the fact that the United States, excepting Iran, of course, wants

Christian Smith: to

George Friedman: disentangle itself from the region. It sees, just as in Europe, that Europe is quite capable economically and militarily of defending itself. The Jews, they've said the same thing in Asia. And the Japanese have been increasing their military force. Australians have been doing so. New Zealand even has been doing so. Now, India is joining that. And if you look at a map that places quite a line of countries around the Chinese perimeter,

Christian Smith: you mention a defense sort of pact there, George. I mean, what does it actually mean, though? They're not exactly an alliance or anything like that.

George Friedman: Well, it's not that they guarantee one attack on one, is the attack on all. It's rather a recognition that they have fundamental strategic and defense interests in common. What this means in practical terms is mutual development of defense capabilities. Okay, so India is emerging as a very developed technological country. Japan is there. Australia is also there. New Zealand as well. All these countries have tremendous capabilities and potentialities in terms of defending themselves. Simply the process of exchanging weaponry, if you will, and passing them around and allowing each one to concentrate on something else gives each of them much greater attitude. Also implicit in this is the idea that they have a common interest. The only common interest they have is limiting China. Remember, India fought battles along its frontier against the Chinese. Vietnam was after the Vietnam War, invaded by the Chinese. The Japanese are sitting there looking at the Chinese, worried very much that the United States is leaving. So this is a new geopolitical structure that has emerged in the same way that Europe is trying to find out exactly how it does this without the United States not quite being able to figure out the problem. Modi's visit, where these countries are already cooperating, nailed it, because it brought India into it. Now, China has a major power on land as well as naval powers. And this major power has already fought battles with the Chinese, with the Chinese as aggressor and India as defender, and defeated Chinese in that small. Those small battles. So this is really a significant thing. Okay, so in the same way the United States wants NATO and the Europeans to take care of themselves in Asia, that's happening. And it's happening in a way that puts China in a potentially difficult position. Not necessarily in a difficult position, but if they press too hard, possibly one. So it limits them in some ways.

Christian Smith: I mean, in many respects, is this the start of a longer process of alignment between these countries?

George Friedman: Well, they all have a common interest. China is a massive power economically. It's also a significant military power. None of these nations by themselves would be in a position necessarily to defend themselves against the Chinese aggression if there was. And certainly none of them by themselves could

take any actions against China. When you put these countries together and you use the geography of these countries, the axes on which they can act, this creates a fundamental problem for China, and that's what it was meant to do.

Christian Smith: We haven't actually spoken. I don't think about Indonesia before on the podcast. That was an interesting aspect of Modi visiting the. Visiting there. Why is that important in this picture?

George Friedman: Well, Indonesia has been developing very well. It is a major natural resource producer, oil and many other things, rare earths as well, and so on and so forth. But it's a geographical position. The islands of Indonesia block Chinese access or anyone else's, potentially, from the Indian Ocean to the Pacific or from the Pacific Indian Ocean. Indonesia being involved in this really creates this problem for China because it does not have a port on the Indian Ocean, really. Okay. And therefore its access to the Indian Ocean and to some extent its access to Europe and other markets could be potentially limited if Indonesia were to block it. Not that this is going to happen, not that I think the Indonesians want it to happen or any of the other Asian countries that have done this. But it certainly creates a structure in which the risks to China, if they take broader action, is significant. And perhaps more important, it limits China geographically, China's military reach, which is exactly what the United States wanted to see happen after it started disengaging, after it then went to Beijing and tried to make an agreement with Xi. And I think that agreement is going to evolve. There's going to be a summit in the United States, Xi traveling there in September. So from the American point of view, the. This is exactly what they wanted to see happen. These countries deciding that they're better off working together. And certainly the United States totally backs this relationship. So from the American point of view, this is a godsend. From the Chinese point of view, this is a bit of a nightmare. But how it evolves and what it evolves into, whether it evolves into an actual defense, where an attack on one is the attack on all. Well, this is all possible at this point. But the most important thing is because already Australia and Japan were working closely together. The most important point of this is that the Indians have joined this coalition. They were already part of a military coalition, a kind of coalition called a quad. The quad was a loose exercise carried out between Japan, the United States, Australia, and India. In that way, India was

part of this quad, but it was never an alliance. It was just an exercise to be carried out.

Christian Smith: The quad is still going, isn't it? In however form you want to describe it?

George Friedman: Yes, but it's not really relevant. I mean, it was once a year they'd get together and sail around. So it was not a understanding. I don't know if these are actually written agreements or fundamental understandings. It was not an understanding of a common interest for China, as well as cooperation in developing weapons. Now, China is very good at technological development, but bringing together India, Australia, Japan, Vietnam as well, is getting very sophisticated. These are significant countries playing a very tough game. This gives China a problem far greater than the United States.

Christian Smith: And the interesting thing, of course, is that with the quad, which we've talked about before on this podcast and has been a somewhat popular topic of conversation in sort of Pacific geopolitics over the past decade or so, however long it's been going, India was always somewhat the loose link there. Not because of India being bad or anything, but just because it wasn't as signed up to things as particularly Japan, Australia and the US Are or were. I suppose what you're saying in some ways, George, is that this may be starting to change, that India has decided to join the party a bit more.

George Friedman: Well, India is now a major economy. It faces challenges from countries like Pakistan, which it fought war with recently. Pakistan is supported by China. So it's starting to see China, as in the past, a problem. It also understands that China is a maritime power. Its trade depends on access to the Pacific, the Indian Ocean and so on and so forth, and understands Japan now. That was the one that was really changed its position. Japan had been pacifist in a way then passive in many ways. And after Trump came in and began disengaging or talking closely with the Chinese, the Japanese have dramatically increased their defense spending and capability. And they've done that to some extent in cooperation with Australia and New Zealand as well. And when you take a look at all of these things, you see something that had already formed and now India thinks having a threat from the sea, threat from land with India will keep the Chinese quiet and perhaps happy.

Christian Smith: Want actionable insight from geopolitical futures. Introducing geoeconomic lens helping you understand not just what is happening, but how global power dynamics shape economic stability, dependency and opportunity. Explore the first issue for free@geopoliticalfutures.com Lens I suppose if you, I mean, you're talking about India and Japan's economies, they're interestingly very similar in terms of size, but even if you put them together, they're still only about half, very roughly of what China's is. I mean, if you put together the militaries and the capabilities of, of India, Indonesia, Australia, Japan, the Philippines, Vietnam, New Zealand against China's in a theoretical war game, would they be able to handle China without the U.S. well, the problem

George Friedman: is the Chinese would have to attack on land in one direction, with naval force in another. Attention. When you have a major force, but you have to deploy it and various very different forces all around a very large area, that reduces the effectiveness of the force. The more you have to disperse the force, the less powerful it is at any one place. So in that sense, this has a fundamental impact on the military. It also creates a situation in which if the Chinese decide to have a border dispute with the Indians, it is not guaranteed. But it's possible that the Australians, the Indonesians or the Japanese might want to do something about it. In other words, they can no longer discount the idea of a coordinated defense in the event one of Them is attacked, it's not guaranteed that it'd be there. But now China has to take that in as a possibility.

Christian Smith: And you know, interestingly, we've seen earlier this month already, Australia signed what some have described as surprise defense pacts with Fiji and Papua New Guinea. Obviously, again, this is something that is. As much as those countries have always been close in many other ways, this is something that has been seen as a, as a reaction to China. China even fired a missile on the day or the day after or something like that of the deal being struck with Fiji. You can have an argument over whether or not that was relevant at the time. Is this all part of the same picture, George?

George Friedman: Very much. Because when you're talking about access to an ocean, the islands matter a lot. So the United States, for example, Philippines was not involved in this particular thing. The United States has four bases on the Philippines. On the whole, it's a string of islands, okay? But it's a very dangerous string of islands being located where it is between Japan and Australia, potentially

blocking that. So you put that in there. There is a cordon sanitarian way developing. And these small islands are very important. The United States, for example, has a major base on Guam. That base on Guam would likely be, in the event of an invasion by the Chinese of Taiwan, the base from which missiles would be launched against that if the United States chose to do that. Okay? So these islands, like Papua New guinea, which are not Papua New guinea, is not small island, are tremendous places from which to block the Chinese. So what is happening is these island chains that take it over, block the waterways. You may not see them on a bad map, but they're there. And if they have capabilities on there, they can block them. So what we've seen is there used to be a problem called the first island problem Japan had. The first islands chain was Japan, the Philippines, back down to Australia. And it was difficult for them to attack into the Pacific, firstly because these islands were hostile and manned. And secondly, even if they got into the Pacific, it would be hard getting back in. This was a door. They'd have to get in two times. Well, this is the first island chain on steroids because it's not only that, but it blocks their exit into the Indian Ocean potentially. And also at the same time, if a naval battle were formed, it would potentially trigger something from India. All this is intentionally. This is not NATO. This is not one nation intact. All are in. These are the options. But it puts China in a position where it has to try to imagine what the other sides would do because yes, if they attacked Japan, this would not affect India, except that it defeated Japan. What would they do next? And so any Chinese aggression, if they're considering it and they have it on paper, I'm sure, but would they really do it? I don't know. But this reduces to some extent the possibility of them doing this. Now there is, I don't think any agreement that they would come to each other's aides. But the Chinese cannot discount the possibility they would not because the Indians deeply love the Japanese or hate aggression or anything like that. But if they beat Japan, who's next?

Christian Smith: And as you say, there's sort of no suggestion that China wants to do something like this in the future. But also it's not uncommon for countries to have plans in place. I believe that in Australia there is a belief that an understanding that China has looked into how to disable critical infrastructure if it might need to in Australia. So these sorts of plans are in place with the sorts of deals that we're talking of here, say with Fiji or Papua New guinea or more broadly with Australia or elsewhere. How worried are these countries about

China finding a Pacific nation to do a deal with that might give it a foothold in the Pacific?

George Friedman: Well, when you take a look, there aren't many nations left to make a deal with. The Philippines are very much under American, not control, but presence. Japan is linked to the United States and closely tied to India. Now Australia is a hard place to hit. It's a huge country, lean in both. So when you take a look at the map, you see that this is not a wall but a very good fence around them. As to plans, I am certain that my own nation has a plan for invading China. We'll never do it, but we certainly have a plan. One thing militaries do is plan and for all contingency imagining all the worst case scenarios they could face. The Chinese certainly have thought about this, but they've been very careful not to engage in direct naval combat. They harass various naval ships, they harass Taiwan, everything else. But the one thing they've not done, except against India in a small way, is start a war. So this is made loosely because that nobody really expects the Chinese to do this. They're not waiting, as we did in the Cold War, that the Soviets are going to come through Germany fast. But on the same point, it clears the way for Chinese caution and also possibly the Chinese willing to make a less aggressive position in order to have economic benefits. Because remember, these countries are not only rivals but consumers of Chinese products, particularly countries like Indonesia. Okay, so this creates or imposes kind of a new need for caution by the Chinese. And it follows very well with the summit between Xi and Trump, where they kind of agreed in principle not to be hostile with each other without quite saying how they'll manage that. And this increases the possibility of a decreased hostile stance, although a limited hostile action by the Chinese.

Christian Smith: And what about the Solomon Islands, George? Solomon Islands have made attempts to cozy up to China. There's developing relationships there as well. What about them?

George Friedman: Well, at this point, that makes the Solomon Islands, Guadalcanal is located there for Americans, much more profitable asset. And so it can raise the price at this point. Yeah, the Chinese would be even more interested in them, but so would the Indonesians, the Australians and everyone else. They can have a nice bidding war. So there are these areas that have not joined in, but

that doesn't mean that they're not going to join in or are prepared to be taken. It puts the Solomon Islands in a much better position as well.

Christian Smith: Take a moment to follow and rate us on your preferred podcast platform. If you're already watching on YouTube, don't forget to like and subscribe. Let's look back at India again. The interesting nature of these changing relations is the sort of awkwardness that they might bring as well. One that we've talked about before on this podcast is India's relationship with Russia. Countries like Japan and Australia and New Zealand in particular wouldn't exactly be overly comfortable with India's ongoing relationship. Close, ish relationship, depending on how you look at it with Russia, does that form an obstacle to strategic partnerships like this?

George Friedman: So at this point, Russia is not significant as a military economic assets for India, nor as a military asset. They are much weaker than they used to be. Therefore, their relationship with them is not of concern to anyone really. And they're going to have many more conflicts with China over various economies in the world. Who's going to compete for that? But Russia just doesn't play significantly into this equation at this point. They can't.

Christian Smith: You mentioned rare earths earlier as well, George. Australia obviously has lots of critical minerals and rare earths. How much is India's relationship in this way also an expression of desire for those sorts of things too?

George Friedman: Well, from the American point of view, and that's not irrelevant to this question, China has been stopping the shipment of various heavy rare earths everywhere. Earths are critical to defense development. They are essential for making magnets. And those magnets are critical in things like drones and all sorts of other systems the United States is now developing or trying to find and develop its own resources. To the extent that Australia has that asset, it's always critical to the United States. That would also be critical to India. So rare earths now, like oil back in the days, is the pivotal element in fighting wars. And this is another dimension of it.

Christian Smith: Interestingly, a lot of the commentary in places like Australia and New Zealand of these visits over the weekend was about the economics about the trade that would come out of this. New Zealand signed a free trade deal with India. What role do these sorts of deals, do these sorts of economic trade deals

play in these wider strategic alliances sciences? Because obviously you can have one, not the other. But do they sort of go together quite well as well?

George Friedman: Well, it's a guarantee in a way of collaboration. Wars occur only occasionally. The more intertwined the economies are, the more the interest of each nation and the well being of the other's economy. The same story as in Europe, that yes there was NATO, but there was the European Union too, which entangled them and that in some ways limited their ability to take sides against other countries. So the economic relationship, which is critical in many ways, is also critical in the sense of giving them a common interest in holding together this relationship, especially if they become dependent on each other for various things. So economic collaboration is better than assigned agreement. That's a really good way to guarantee working together.

Christian Smith: And I suppose a country like New Zealand, for example, so no Indian Prime Minister had visited New Zealand in 40 years, which says a lot about the significance of this visit. At the same time though, you know, India and New Zealand are miles apart. It's, it's, I looked it up, it's 16 hours flight time basically from one to the other. That's not including a stopover, which you'd need to do if you were flying commercially. What strategic and defense significance can they actually tie up together? India and New Zealand aren't necessarily going to fight wars together or for each other. Given, given how far apart they are. How does that work out?

George Friedman: I think this was at the request of Australia. Australia. New Zealand relations are important to Australia in various ways and to New Zealand as well. I think Australia did not want to be seen reaching agreement with India without bringing in New Zealand. New Zealand might say that Australia no longer is a defensive partner and so on and so forth. And it was a low price for Modi to pay to go there. And New Zealand does have assets that are of some value. This is a small country, but it's not A trivial one. At the same time, I think this was really an Australian request. That's a guess by me. I'm not sure that Modi didn't want to see it himself, but I think that the Australians really wanted to show the New Zealanders that this is not Australia moving away from them, they're part of it.

Christian Smith: It's not even cricket season down there at the moment, so I don't know. He's not like he was going to watch a match. What's China's play

here? They are obviously in some ways when we talk about this and we talk about Modi's traveling around and that sort of thing, almost painting a picture of China sitting on the sidelines looking on without much power to do anything. What can they do and what will they do, do you think?

George Friedman: Well, what's really interesting at this point is that the Chinese are having talks with the North Koreans. This would seem to be a hostile thing, but in about a year ago, the Chinese reached out to South Korea and Japan and suggested an economic zone between them. They answered they would do that, but not so long as North Korea had nuclear weapons. And the price for doing this was getting them to make the North Koreans get rid of those weapons. How much power they have in North Korea. Well, they've been bad relations between China and North Korea, as many people don't know. But at this point those relationships are developing. And right after this happened, they started talking immediately after they were with the North Koreans. So for the Japanese, who really matter in this equation, North Korean nuclear weapons are a fundamental threat. So what I saw China do, and it had been doing it before then too, is trying to have a better relationship with Japan and other countries in the region who don't want to have that relationship unless China does something about the North Koreans whom they really worry about. And here would be a place where we'd see the tension between China and the Soviet Union and Russia, I should say Russia it is. I would see that the only allies Russia had in the Ukraine war was North Korea. China was not an ally. China doesn't like North Korea necessarily. But now that it is putting pressure on North Korea with nice talks, out of that may come what the Japanese badly want and so do other Asian countries want a non nuclear North Korea. So since the North Koreans are welcoming the Chinese and everything seems to be hunky dory, that may be evolving because the North Koreans now if the Chinese and the Japanese, for example, are closely tied and the South Koreans are really closely tied to the Chinese economically Which doesn't bother the United States at all. What you're seeing here is the outcome of the American strategy of reducing our visibility in the world, excepting Iran at the moment, and not getting into these conflicts. And we are seeing the Asians responding to this, particularly after the US Chinese agreement where there's less tensions. Now's the time to do these things when it doesn't appear to be aggressive.

Christian Smith: And what about Pakistan, Georgie? India is making its move. China, of course, is close with Pakistan. India, and I don't need to remind the audience India and Pakistan don't get on that. Well, what leverage does that give China over India via way of Pakistan?

George Friedman: Well, China has. During the short war that broke out about a year ago, the Chinese had supplied weapons to them or continued to supply their weapons to them as they fought the Indians. Pakistan is at a different place now. It is the negotiator between the United States and Iran. It is a Muslim country and it is very friendly with the United States at this point during these negotiations. So I think Pakistan itself is evolving in a different way, moving away from the old question that was raised by the British Empire, is Pakistan part of India or not? So I think it's trying to make that relationship obsolete, that issue between the two, because Pakistan itself is emerging as a major intermediary in this war and a major entity having close relations with Saudi Arabia and everything. It's looking westward.

Christian Smith: Well, that is an appropriate, controversial forecast, I think, to end the podcast on. I think people may have thoughts about that. You can, of course, put those if you're watching on YouTube or listening on an app that allows you to comment, you can put those below. You can also go to geopoliticalfutures.com to find out more about everything we've been talking about today. George, as always, thanks very much. We'll be back again soon with another podcast, but until then, you take care and goodbye. You can find all of our expert geopolitical analysis at expert@geopoliticalfutures.com Sam.