

Chapter 5

Security Dimension of China's 21st Century Maritime Silk Road –Indian Ocean Context⁷²

*Whoever rules the waves, rules the world*⁷³

-Admiral Alfred Thayer Mahan, US Navy

Setting the Stage

Recently, China's Ambassador to India espoused a synergy between the Maritime Silk Road (MSR) and India's Project Mausam as these are grounded in similar, if not congruent, foundational precepts. The two principal commonalities among these initiatives are of historical recall and an attempt to break away from the existing 'clichéd discourse' on Asian maritime character. It is for consideration that the larger narrative for China's Silk Road initiative has developed and expanded using two paths, one each addressing the terrestrial and oceanic domains. The Chinese President, Xi Jinping, mooted the 21st Century Maritime Silk Road (MSR) concept during his address to the Indonesian Parliament in October 2013, particularly for strengthening China-ASEAN economic relationship.⁷⁴ Less than a month earlier, he had laid out the broad contours of the land-centric Silk Road Economic Belt (SREB)

⁷² Raghavendra Misra, Senior research Fellow at National Maritime Foundation, Delhi, Vijay Sakhuja and Jane Chan (Eds), *China's Maritime Silk Road and Aisa*, (New Delhi: Vij Books India Pvt Ltd, 2016) pp 23-42

⁷³ Alfred Thayer Mahan (September 27, 1840 – December 1, 1914) was a United States Navy admiral, geostrategist, and historian, who has been called "the most important American strategist of the nineteenth century. Mahan, a naval strategist and the author of *The Influence of Sea Power Upon History*, argued that national prosperity and power depended on control of the world's sea-lanes. "Whoever rules the waves rules the world," Mahan wrote.

⁷⁴ ASEAN-China Centre, "Speech by Chinese President Xi Jinping to Indonesian Parliament", 3 October 2013, http://www.aseanchinacenter.org/english/201310/03/c_133062675.htm,

in his September 2013 address at the Nazarbayev University, Kazakhstan.⁷⁵ Both these initiatives are linked to Xi Jinping's call for the "great renewal of Chinese nation", dubbed as the 'China Dream' that draws upon its glorious civilizational history and past status of a global great power.⁷⁶

China has publicly emphasized the economic centrality, infrastructure development, regional connectivity, inclusiveness and people-to-people connect as the bedrock of Silk Road initiatives. However, the larger implications of the Silk Road initiatives cannot be overlooked as these are considered a strategic outreach to dispel the negative connotations arising out of its recent assertiveness on maritime/territorial disputes. This issue also becomes important in light of the empirical-historical evidence about the behaviour of rising 'great powers'. More often than not, such nations have attempted to match their military potential to the geography of their global interests.

The Chinese official media, *Xinhua*, mentions discrete geographies for the SREB (China's coastal area through Central Asia, the Middle East and on to Europe) and MSR (China's south to Southeast Asia).⁷⁷ However, a different picture emerges by analysing the Chinese leadership discussions with countries across an extended Eurasian geo-spatial framework where it has encouraged them to join the MSR initiative. The list of such countries *inter alia* includes a number of Indian Ocean littorals like Bangladesh, India, Kuwait, Maldives, Myanmar, Oman, Pakistan, and Sri Lanka. Recently and with growing frequency, writings from China suggest that Africa

⁷⁵ "Xi suggests China, C. Asia build Silk Road economic belt" in *Xinhua*, 7 September 2013, http://news.xinhuanet.com/english/china/201309/07/c_132700695.htm, 07 Sep 2013

⁷⁶ "Xi pledges great renewal of Chinese nation" in *Xinhua*, 29 November 2012, http://news.xinhuanet.com/english/china/201309/07/c_132700695.htm,

⁷⁷ "Chronology of China's "Belt and Road" initiatives "in *Xinhua*, 5 February, 2015, http://news.xinhuanet.com/english/china/201502/05/c_133972101.htm

should also be made part of the MSR for a providing a more holistic supra-regional contextualization.⁷⁸

While the discourse among the majority of analytical community has addressed the SREB and MSR as distinct and separate entities, the correspondence in the spread of their geographies indicate that the idea of ‘One Belt – One Road’ (OBOR), is in fact a network. This is also evident from the 28 March unveiling of broad policy framework and composite principles for the Belt and Road initiative at Hainan during the Boao Forum for Asia (BFA).⁷⁹ The main aims are improved economic flows through efficient resource allocation for deeper market integration. These are to be achieved by enhancing connectivity of Asian, European and African continents and their adjacent seas through an inclusive architecture (Figure 5.1).

⁷⁸ See, Justin Yifu Lin (former Chief Economist of the World Bank), “Industry transfer to Africa good for all” in *China Daily USA*, 20 January 2015, http://usa.chinadaily.com.cn/epaper/201501/20/content_19357725.htm. For developing narrative on this theme see, Cheng Lu, “Return of maritime Silk Road does not forget Africa” in *Xinhua*, 12 February 2015, http://news.xinhuanet.com/english/indepth/2015-02/12/c_133990475.htm and, He Wenping “One Belt, One Road’ can find place for Africa” in *Global Times*, 29 January 2015) in *Global Times*, <http://www.globaltimes.cn/content/904823.shtml>

⁷⁹ “China unveils action plan on Belt and Road Initiative” in *Xinhua*, 28 March 2015, http://www.china.org.cn/china/2015-03/28/content_35181779.htm.

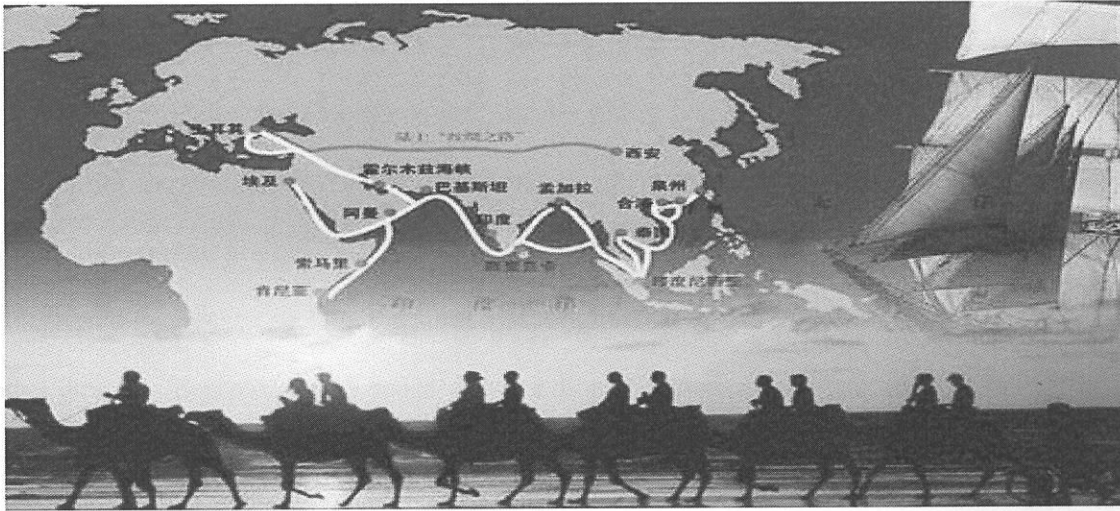


Fig 5.1 : Geography of Silk Road Initiatives

Source: Xinhua, *China unveils action plan on Belt and Road Initiative*, 28 March 2015

This web of connectivity has various shades of maritimity, continentality and a mixed character (land-sea or the littoral interface) in its extent from China to the Western Europe.⁸⁰ This paper seeks to analyse the security imperatives of the MSR through an Indian Ocean context. The theoretical approach employed in this paper is to undertake a systemic (global) to regional approach including a bilateral perceptive of India-China interactions. Some factors taken into account while developing the analysis are: (a) amorphous international architecture, (b) increasingly globalised economy marked by uncertain trends, (c) growing relevance of oceans as critical spaces for traditional and rising powers in geopolitical and geo-economic terms and, (d) the enhanced strategic relevance of maritime domain for China .

⁸⁰ For more details on the concepts of maritimity, continentality and their relevance while analysing geopolitical and strategic trends, see Saul Bernard Cohen, *Geopolitics: the Geography of International Relations* (Third Edition), (Maryland: Rowman & Littlefield, 2015), pp. 41-47.

Current and Future Geo-strategic Relevance of Oceans

Historically, the Oceans as the world's oldest commons covering roughly 70 percent of Earth's surface and considering their international character have served as trans-continental arteries for global economy, trade, international commerce and ideational exchanges such as the spread of religion, socio-cultural norms, and literary thought. In a complimentary sense, the receding jurisdictional or 'control' regime at sea lends strong intimate linkages to international political dimensions of 'power' and 'influence' especially during times of flux and nebulosity, as is the case today.⁸¹ This unbroken historical rhythm acquires relevance if one was to frame the strategic narratives of the important Indian Ocean stakeholders, such as:

- *Australia* – Its emphasis on the term 'Indo- Pacific' as a critical positive-cum-negative geography in its security strategy and other doctrinal publications.
- *China* - 'March West' policy as possible to counter to US pivot strategy besides the MSR initiative.
- *India* – Act East policy as a follow up of its Look East policy, and the recently announced Link West initiative.
- *Indonesia* - President Jokowi's vision of 'Global Maritime Nexus' where Indonesia could be the fulcrum or the 'axis' for an interconnected the Pacific and Indian Ocean (PACINDO) domain.
- *Japan* – Its 'dual hedge strategy' of reinforcing its security partnership with the US and, simultaneously seeking enhanced strategic engagements with South and South East Asia. Prime Minister Shinzo

⁸¹ James A Nathan and James K Oliver, *The Future of United States Naval Power*, (Bloomington: Indiana University Press, 1979), pp. 7-9.

Abe's 2007 speech to the Indian Parliament titled "confluence of the Two Sea" also merits recall.

- *Russia* – Its recent assertiveness in and around the proverbial Middle Sea (or the Mediterranean), especially in Syria and Ukraine. Further, the recent announcement about upgrading naval capabilities on its Pacific seaboard, i.e., 'Pivot to the East' can be seen as a significant policy shift.
- *United States* – Rebalance to Asia-Pacific coupled with more robust articulation about the strategic utility of seapower besides the coinage of a new geographic construct, 'Indo-Asia-Pacific' in its recently unveiled maritime strategy can be cited as some examples.

The important point to note from the above is that China is emphasizing an Indo-Atlantic construct through the Silk Road initiatives while the others have highlighted the enhanced relevance of the Indian and the Pacific Oceans. The second noteworthy issue is that the Indian Ocean finds common mention in all the strategic discourses, which indicates its growing importance as a critical maritime space. Given the embayed geography of the Indian Ocean, the littoral context - where air-sea-land domains intersect and affect each other through mutual interaction, would assume greater relevance while examining the strategic imperatives of the MSR project. This proposition is also supported by the mention of Bangladesh-China-India-Myanmar (BCIM) Economic Initiative and China-Pakistan Economic Corridor (CPEC) as vital 'tributaries' of the MSR.⁸²

⁸² Xinhua, Note 77

Theorising China's Maritime-cum-Naval Strategic Character

China's quest for greater maritime influence coupled with naval capability accretion, discussed in detail later in the paper, could also be cast along some existing and some emerging theoretical curves. In a similar vein, the security dimension of MSR in relation to China can be developed along various thematic contours. Some of the salient concepts are –

- Taking historical recall as a point of departure, one description could be based on the mercantilism-cum-expeditionary approach, as practised by the behaviour of naval powers of the past, especially the former colonial powers.⁸³ Some Asian nations also practised a modified version of tributary system (formal inequality) in their episodic heydays of maritime eminence but their modern historiography has transmogrified these into more anodyne avatars.⁸⁴ However, the utility of these theoretical axioms is somewhat restricted in present day globalised intermeshing.
- The second narrative could be built around the politico-diplomatic (policy)-economics-security circular cycle where each of these elements mutate and provide mutual reinforcements to larger strategic objectives

⁸³ Stephen Roskill, *The Strategy of Sea Power. Its Development and Application. Based on the Lees-Knowles Lectures Delivered in the University of Cambridge, 1961.* (London: Collins, 1963), pp. 15-23.

⁸⁴ The majority of Chinese and Indian description of Admiral Zheng He voyages to the Indian Ocean, and that of Chola expeditions to South East Asia are projected in benign light dilating on the cultural, trade and ideational exchanges with no territory being conquered. However, sources that are more contemporary have highlighted the expeditionary streak, the use of force for extracting the acquiescence and regular payment of tribute by the indigenous rulers in a vassal-suzerain (formal inequality) manner. For example see, Geoff Wade, 'The Zheng He Voyages: A Reassessment', October 2004, Working Paper Series No. 31, Asia Research Institute; Louise Levathes, *When China Ruled the Seas: The Treasure Fleet of the Dragon Throne 1405-1433*, (New York: Simon & Schuster, 1994.), pp. 115-120, 170-175; George W. Spencer, *The Politics of Expansion - The Chola Conquest of Sri Lanka and Sri Vijaya*, (Madras: New Era, 1983), pp. 107-123, 140-145.

through ‘security-development nexus’.⁸⁵ In this regard, the ‘naysayers’ could argue, with some justification, on two counts. The first being the ‘tension-suppressing’ effect of enhanced economic engagements on competitive-conflictual issues (trade–security nexus) as the mutual stakes become higher. The other disagreement could be on the exclusion of ideology-cum-informational aspects.⁸⁶ However, the opposition in both these cases are restrictive, archaic and built along binary lines and, thus relatively less relevant for application in the prevailing international climate. Further, the axiom that good economics translates into good politics and thereby more stability and security fails the historical empirical test. The important instances are the Anglo-German rivalries prior to the onset of the two world wars where these two countries were closely linked in economic sense but had contrarian outlooks as far as their ‘strategic’ aims were concerned.

- The next is the oft-quoted ‘long cycle’ framework where an ‘enhanced external foreign policy orientation’ of the rising powers drives the focus on to the ‘oceans for strategic purposes’ and their ‘quest for dominant influence’ on two of three perennially navigable seawater bodies, namely, the Pacific,

⁸⁵ For the tripolar argument about ‘Guns-Butter-Socio-economic future’ framework, see, Paul M. Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000*. (London: Unwin Hyman, 1990), pp. 444-446. See, Ramses Amer, Ashok Swain, and Joakim Öjendal, *The Security-Development Nexus - Peace, Conflict and Development*, (London: Anthem Press, 2012),

⁸⁶ For, a well-argued book on ‘Guns versus Butter’ debate see, Mary Kaldor, *The Baroque Arsenal*, (London: Abacus, 1983). For ongoing debate on the economic interdependence debate see, Edward D. Mansfield, and Brian Pollins. *Economic Interdependence and International Conflict New Perspectives on an Enduring Debate* (Ann Arbor: University of Michigan Press, 2006). For a historical overview covering the past two hundred years and the changing dynamics of economics-security nexus, see, Dale C Copeland, *Economic Interdependence and War*, (Princeton: Princeton University Press, 2014),

Atlantic, and the Indian Oceans.⁸⁷ Another complementary approach in this regard could be the concept of ‘using geography to trump strategic limitations’ as espoused by the German Admiral Wolfgang Wegener in the interwar years.⁸⁸ In this context, the relevance of hyphenated constructs like Asia-Pacific and Indo-Pacific and others mentioned earlier, gain salience. A recent assessment of Chinese naval power states that its naval strategic approach is based on an ‘offensive realist’ model where Beijing is likely to seek absolute dominance and pre-eminence in the maritime realm.⁸⁹

- The last, but not the least, is the quest by the great and rising powers for preferential strategic access to build mutualities and dependencies, such as, the ‘String of Pearls’ concept.⁹⁰ As part of this conceptual point of reference, other discourses could also be built along the continuums of ‘affluence-arms-history-nationalism’.⁹¹ A further tack could be to analyse Chinese strategic

⁸⁷ George Modelski and William R. Thompson, *Seapower in Global Politics, 1494-1993*, (Seattle: University of Washington Press, 1988), pp. 11-18.

⁸⁸ Wolfgang Wegener, *The Naval Strategy of the World War*, (Annapolis, Md: Naval Institute Press, 1989), pp. 31-38 and, Herbert Rosinski, *The Development of Naval Thought: Essays*. (Newport, R.I.: Naval War College Press, 1977), pp. 59-63.

⁸⁹ Yves-Heng Lim, *China's Naval Power: An Offensive Realist Approach*. Farnham, (Surrey: Ashgate, 2014)

⁹⁰ Robert Harkavy, *Great Power Competition for Overseas Bases: The Geopolitics of Access Diplomacy*, (New York: Pergamon Press, 1982) and, *Bases Abroad: The Global Foreign Military Presence*, (Oxford: Oxford University Press, 1989). For the origin of ‘String of Pearls’ theory, see, Juli A. MacDonald, Amy Donahue, and Bethany Danyluk, *Energy Futures in Asia: Perspectives of India's Energy Security Strategy and Policies* (Washington, DC: Booz Allen Hamilton, November 2004), p. iii.

⁹¹ Desmond Ball, ‘Arms and Affluence: Military Acquisitions in the Asia-Pacific Region’ in *International Security*, Vol. 18, No. 3 (Winter, 1993-1994), pp. 78-112, and, Robert S. Ross, ‘China's Naval Nationalism: Sources, Prospects’, and the U.S. Response in *International Security*, Vol. 34, No. 2 (Fall 2009), pp. 46-81.

approach by analysing and the 'alignment of geopolitics-geography-geostrategy' by the great powers.⁹²

All these theorems, in some measure or the other can be used to frame the current and future security imperatives of China in the Indian Ocean.

China's Maritimity and the Indian Ocean Context

A recent work suggests that in contemporary environment of enhanced economic meshing and globalised nature of strategic transactions between states, the factor of 'geo-economics' is the driver for the politics and the security policies of major powers. In this case, it is argued that that the classical geopolitical concepts of 'Heartland' proposed by Mackinder and that of 'Rimland' by Nicholas Spykman can be replaced by an emerging paradigm of seeking 'dominant access and influence' through a new geographical contextualisation of 'Nareland' (Natural Resource Lands). It is also argued that China is attempting to replace the traditional great powers like the US and Russia by positioning itself as a 'viable alternative strategic partner'.⁹³ It would be worthwhile to examine the validity of this novel paradigm by applying it to the Chinese Silk Road concept, with particular to the IOR.

China's tack to the seas can be broadly equated to the geo-economics since sea borne trade remains the most economical means of transporting large volumes over long distances. As the world's leading export nation, second largest economy and trading nation by any yardstick of measurement and, as the largest shipbuilder, the

⁹² Jakub J. Grygiel, *Great Powers and Geopolitical Change*, (Baltimore, Md: Johns Hopkins University Press, 2011), pp. 21-23.

⁹³ Klaus Solberg Soilen, *Geoeconomics*, (London: Bookboon, 2012), electronic edition.

oceans have become critical for its continued development.⁹⁴ This can be best farmed by examining the sectoral distribution of its economy and the part played by exports and imports in the post liberalisation period (Figure 5.2). In 1982 – a time when Deng Xiaoping’s reforms were in the implementation phase, the industries contributed 44.8% to its GDP whereas the shares of agriculture and services sectors were 33.4% and 21.8% respectively. By 2013, a remarkable turnaround has taken place where the contribution of industry sector was 43.9%, that of services sector had gone up to 46.1% of national GDP and the agriculture sector share had come down to 10%. This is reflective of a significant increase in the valued added productivity in the Chinese economy. Further, in 1982, the exports and imports of goods and services as a factor of GDP contributed 15.1% to the GDP, whereas, in 2013, this figure stood at 50.1% of national GDP, thus registering more than threefold growth over a 30-year period.

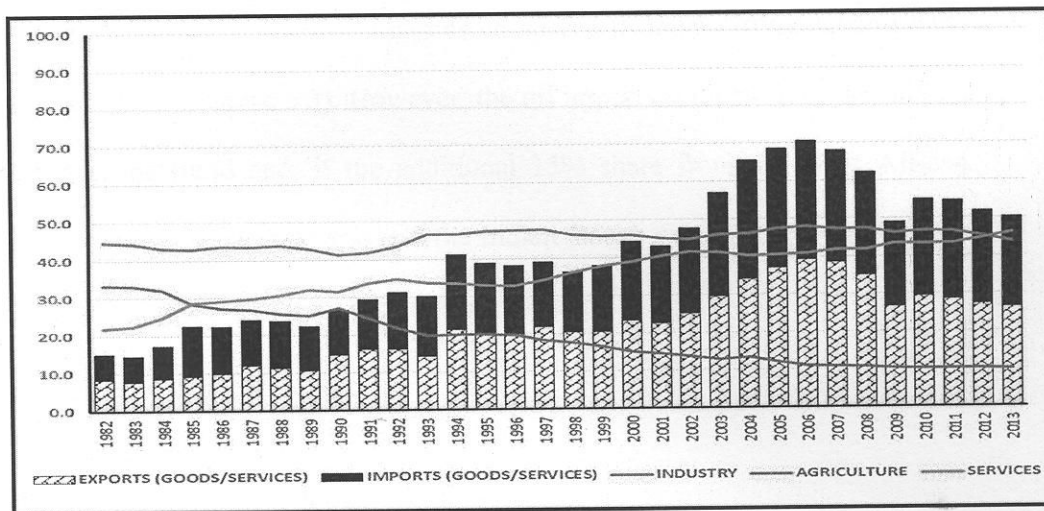


Fig 5.2: Sectoral distribution and contribution of Exports/Imports to Chinese Economy (percentage of GDP), Source: World Bank Database, NMF

⁹⁴ See, Annual Reports for 2014 by the International Monetary Fund and World Bank.

China's regional trade statistics during 2003-2013 indicate that Asia, Africa and, Oceania and Pacific Islands are the three regions where Beijing has an unfavourable trade balance (Appendix A). The Indian Ocean Region (IOR), comprising the littoral and the landlocked/Geographically Disadvantaged States (GDS) that are proximal to its coast, contribute nearly 20% of China's international trade in value terms (Appendix B). This trend of negative trade balance is more pronounced in this region, be it the share of the Asian or the African states. Saudi Arabia, Iran, Iraq, Kuwait, Oman, and South Africa are the principal contributing countries to this, thereby indicating the energy and mineral dependency of China in the IOR. The negative trade balance with Thailand can be attributed to the imports of automotive and telecom/IT industry sub-aggregates.

Beijing's dependence on Middle East oil imports of around 29%, as the share of its total consumption, is relatively less as compared to India (70%), Japan (76%) and Singapore (80%) (Figure 5.3). However, the oil imports sourced from the Middle East show a rising trend and, if the additional 15% share from the West African sources is also factored (as these traverse the Indian Ocean waters), the overall figure becomes a significant 45% of total national consumption.

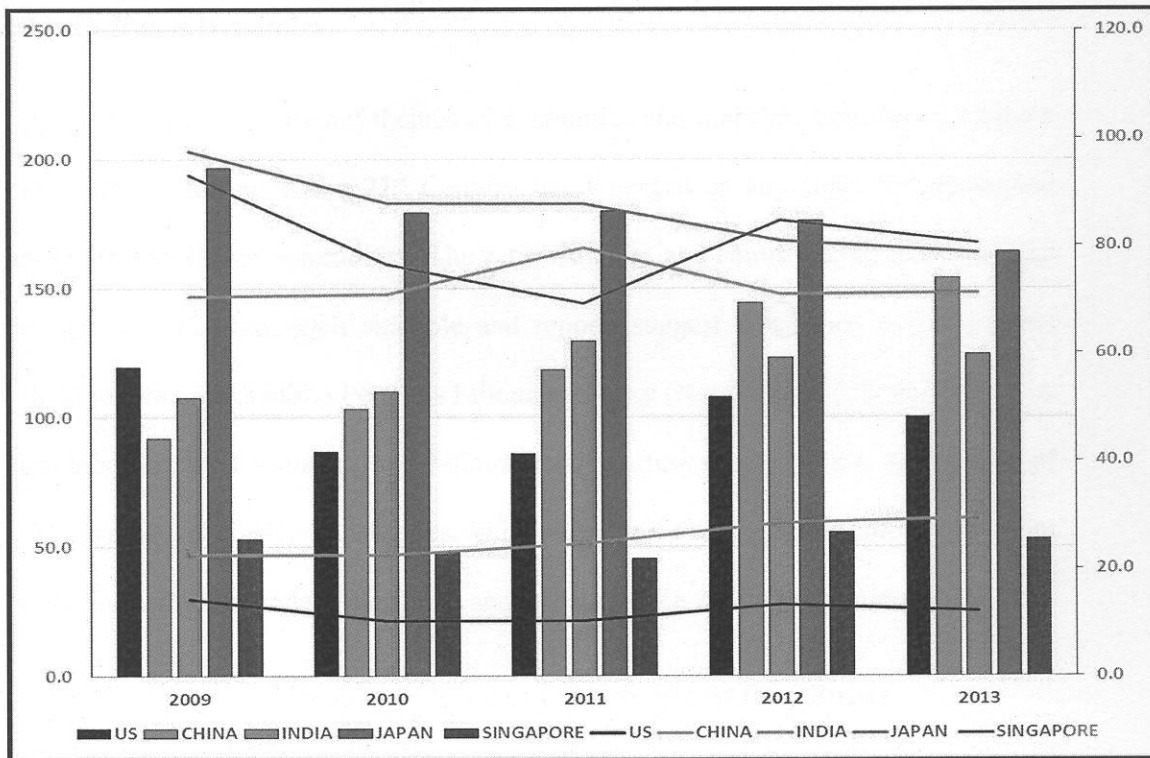


Fig 5.3 : Middle East Oil Dependence (2009-13): Select Countries (in Million Tonnes) Source: Annual BP Statistical Reviews of World Energy, NMF

China's quest for expanding geo-economic space for maneuver, seeking new avenues and opportunities in emerging markets and new geographies remains a key theme for current discourse. In this dialectic, China is projected in both negative and positive hues. The adverse narratives paint it as a nation bent on a commodities centric push for resource hoarding through unscrupulous means. The favourable analyses posit that China offers better and more competitive propositions as compared to the condition-linked regimes offered by the West and the rest.⁹⁵

⁹⁵ For negative narratives, see, Dambisa Moyo, *Winner Take All: China's Race for Resources and What It Means for the World* (New York: Basic Books, 2012) and, Elizabeth Economy and Michael A. Levi, *By All Means Necessary: How China's Resource Quest Is Changing the World*, (New York: Oxford University Press, 2014). The favourable discourse on this issue can be found in Ann Lee, *What the U.S. Can Learn from China - An Open-Minded Guide to Treating Our Greatest Competitor As Our Greatest Teacher* (San Francisco: Berrett-Koehler, 2012); Theodore H. Moran, *China's Strategy to Secure Natural Resources Risks, Dangers, and Opportunities* (Washington, DC: Peterson Institute for

China's Naval Dynamics

Besides the dominant themes of economics and maritime commerce, China's naval modernisation in the 21st Century has emerged as key topic for discussion among the analytical community. The refurbishment and commissioning of *Liaoning* aircraft carrier is one such example and reports suggest that more such platforms would join the ranks of the People's Liberation Army (Navy) [PLA (N)] by 2025.⁹⁶ A sustained and well rounded, multi-dimensional accretion programme with a mix of offensive and defensive capabilities with longer reach and sustainability is apparent by the induction of modern platforms and systems since 2000.⁹⁷ Some examples are -

- Four Sovremenny class destroyers ex-import from Russia.
- Type 052 B/C/D (Luyang I/II/III) and Type 051C (Luzhou) class destroyers and Type 054A (Jiangkai II class) multi-purpose frigates.
- Type 056 (Jiangdao class) missile corvettes and Type 022 (Houbei class) missile craft.
- Type 903 (Fuchi) class replenishment ships, and; Type 071 (Yuzhao) and Type 072A (Yuting III) class amphibious assault ships.
- Type 094 (Jin) class SSBN (nuclear powered ballistic missile capable), Type 093 (Shang) class SSN (nuclear powered attack), and Type 039A (Yuan) class SSK (conventional diesel electric) submarines.

International Economics, 2010), and; Edward S .Steinfeld, *Playing Our Game: Why China's Economic Rise Doesn't Threaten the West*, (Oxford: Oxford University Press, 2010).

⁹⁶ United States Office of the Secretary of Defense, Annual Report to Congress, *Military and Security Developments Involving the People's Republic of China 2014*, p. 7, and; Congressional Research Service Report # RL33153, *China Naval Modernization: Implications for U.S. Navy Capabilities—Background and Issues for Congress*, 23 December 2014, pp. 18-20.

⁹⁷ Compiled from various annual editions of HIS Group, *Janes Fighting Ships* and IISS, *Military Balance*.

- Development of J-15 carrier borne strike and multirole Long-Range Maritime Reconnaissance version of H-6 aircraft.
- DF-21D Anti-Ship Ballistic Missile (ASBM).
- Conformal radars and multi-functional vertical launch systems on board the aircraft carrier, and Luyang III destroyers.

The Chinese naval modernisation programme is unique for a few reasons. While the availability of capital as the second has helped, according to *IHS Janes Defence Budget* analysis, the PLA (N) continues to be the least funded among the conventional forces. However, consequent to the 2004 pronouncement of ‘new historic missions’, the importance of the navy has grown and its share of national budget is expected to increase from 18.6% in 2012 to 20.7% by 2020 [Figure 5.4(a)]. The report goes on to state that “In proportional terms the navy is expected to see the largest expansion of manpower and budgetary resources over the next decade and is expected to command an annual budget in the region of US \$ 30 billion by 2016”. Due to the proposed expansion plans the expenditure pattern on various sub-heads within the Navy is not likely to see a major shift, except for cutting down on miscellaneous expenses to improve operational effectiveness [Figure 5.4(b)].⁹⁸

⁹⁸ IHS Janes, *Defence Budgets - China*, August 2014, NMF Source

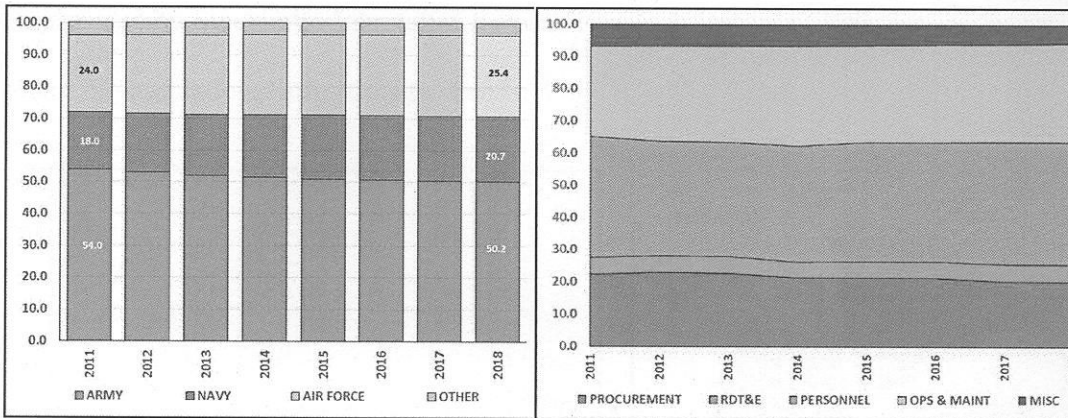


Fig 5.4(a): Inter-service Breakdown of Chinese Defence Budget (in percentage terms)

Fig 5.4(b): Sector wise Breakdown of PLA(N) Budget (in percentage terms)

Source: China's Maritime Silk Road & Asia, NMF

One issue that does not find adequate discussion is the Chinese 'defence economics' facet. From a nation with just US \$ 302 million worth of military exports in 2000, China has emerged as the third largest supplier of defence equipment totalling US \$ 2068 million in 2013. This represents almost seven-fold increase over a short period of 13 years and China has left behind some of the traditional military powerhouses like the UK, France, Netherlands and Israel [Figure 5.5(a)]. Asia and Africa are the prime locus of Chinese defence exports. During the period 1995-2013, Asia accounted for 79% of Chinese defence exports whereas Africa accounted for 18 % (Figure 5.5(b)). Further, Pakistan, Bangladesh and Myanmar are the top three recipients accounting for roughly 68% of Chinese military exports during the five-year period of 2000-14. This fact was highlighted by the author and has been

emphasised by Stockholm International Peace Research Institute (SIPRI) in its recent report on international arms transfer trends.⁹⁹

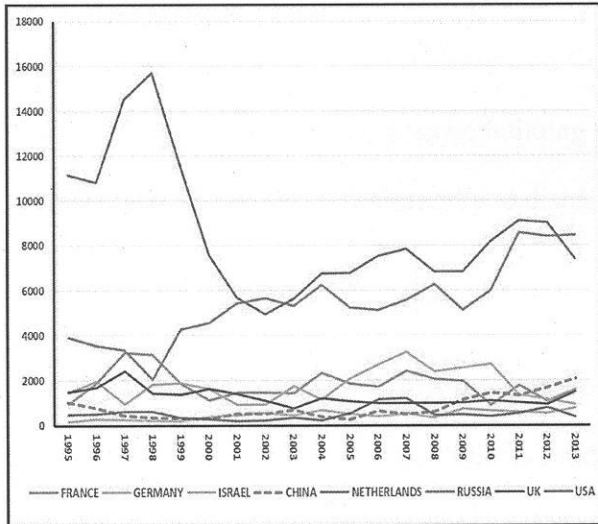


Fig 5.5(a): Military Exports by Select Countries: 1995-2013 (in US \$ million, constant 1990 terms)

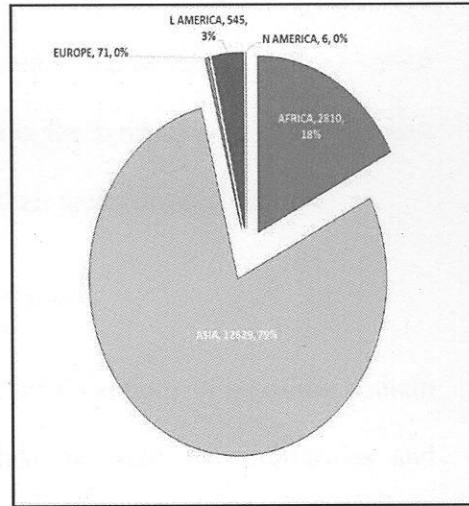


Fig 5.5(b): Regional Distribution of Chinese Military Exports: 1995-2013 (in US \$ million, constant 1990 terms)

Source: SIPRI, Trend Indicator Value (TIV) Database, NMF

The noteworthy aspect is the deployment of Chinese naval and paramilitary assets at greater distances for longer periods that is visible as near constant and sustained presence in critical areas. One such instance is the recent departure of 20th task group on 3 April 2015, for anti-piracy operations off the Horn of Africa (HoA).¹⁰⁰ Since December 2008, China has maintained a continuous three ship deployment comprising two combatants and one replenishment ship for this tasking.

⁹⁹ Raghavendra Mishra, 'String of Pearls and Beyond: Chinese Influence in South Asian Littoral' in KK Agnihotri and Gurpreet S Khurana (Eds), *Maritime Power Building: New 'Mantra' for China's Rise*, (New Delhi: Pentagon Press, 2015), pp. 53-55, and; Pieter D. Wezeman and Siemon T. Wezeman, 'Trends in International Arms transfers', SIPRI Fact Sheet, March 2015, <http://books.sipri.org/files/FS/SIPRIFS1503.pdf>, accessed 4 April 2015.

¹⁰⁰ "China Sends New Anti-Piracy Mission to Gulf of Aden", *Associated Press, Beijing*, 3 April 2015, <http://abcnews.go.com/International/wireStory/china-sends-anti-piracy-mission-gulf-aden-30079706>,

In addition, the Chinese naval task groups, either enroute or on completion of their anti-piracy deployments, have visited virtually every nation bordering the Mediterranean, IOR and the Western Pacific. In certain cases, such deployments have included visits to Europe, Latin America and Oceania.¹⁰¹ These can be seen as virtual ‘hub and spoke’ strategy for influence building using the symbolism and the attached political content besides an opportunity to display their technological prowess.

A Systemic-Regional-Bilateral Comparative Analysis

In this section, a comparative analysis of China’s actions in maritime domain in the Western Pacific and the IOR is undertaken to trace the similarities and differences through a systemic-regional-bilateral perspective. In systemic global sense, China has participated in the RIMPAC series of exercises off Hawaii for the first time and signed the Conduct on Unalerted Encounters at Sea (CUES) agreement at the Western Pacific Naval Symposium (WPNS) at Qingdao, both in 2014. It is also worth mentioning that this was also the case for India. In the IOR, as mentioned earlier, China has contributed to global antipiracy efforts since 2008 by escort operations as part of an independent group, in a similar vein as India.

At the regional level, China has continued with its ‘assertive’ actions in the South China and East China seas. Some recent examples include

- Promulgation of an Air Defence Identification Zone (ADIZ) in East China Sea that overlaps with the existing Japanese ADIZ in November 2013.

¹⁰¹ Kamlesh K. Agnihotri, *Strategic Direction of the Chinese Navy: Capability and Intent Assessment*, (New Delhi: Bloomsbury, 2015), pp. 126-129.

- Positioning of its largest oil exploration platform *Haiyang Shiyou 981* in the disputed waters with Vietnam in May 2014 leading to adverse reactions from Hanoi besides rioting and arson directed against Chinese business interests in Vietnam.
- Close quarter situations with the US Navy cruiser *Cowpens* in November 2013, and P8A *Poseidon* Maritime Patrol aircraft in August 2014.
- Large-scale reclamation and development activities on islands and low lying/shallow features in the South China seas inviting opposition from the Philippines, Vietnam, Indonesia, the US and other regional stakeholders.¹⁰²

In IOR, a Chinese nuclear submarine was first deployed in 2013, and this was followed by two port visits to Sri Lanka by a conventional submarine and its support ship in 2014.¹⁰³ At first glance, the berthing of these naval assets seem ‘perfectly legitimate’ considering the fact that rest and replenishment were necessary after long transit voyage through SCS. However, the rationale that the submarine was deployed for escort duties as part of anti-piracy operation seems ‘operationally fragile’, As a

¹⁰² For a recent report about such activities, see, James Hardy and Sean O'Connor, ‘China starts work on Mischief Reef land reclamation’, 11 March 2015, *IHS Jane's Defence Weekly*, <http://www.janes.com/article/49917/china-starts-work-on-mischief-reef-land-reclamation>,

¹⁰³ In February 2014, the Director of the U.S. Defense Intelligence Agency (DIA) confirmed that China had “recently deployed for the first time a nuclear powered attack submarine to the Indian Ocean.” For more details, see Michael T. Flynn, “Defense Intelligence Agency Annual Threat Assessment: Statement Before the Senate Armed Services Committee, United States Senate”, 11 February 2014, www.dia.mil/Portals/27/Documents/News/2014_DIA_SFR_SASC_ATA_FINAL.pdf .Also, Shihar Aneez and Ranga Sirilal, “Chinese submarine docks in Sri Lanka despite Indian concerns”, *Reuters*, 2 November 2014, <http://in.reuters.com/article/2014/11/02/sri-lanka-china-submarine-idINKBNOIM0LU20141102>, and; Atul Aneja, “China says its submarine docked in Sri Lanka ‘for replenishment’”, *The Hindu*, 28 November 2014, <http://www.thehindu.com/news/international/world/china-says-its-submarine-docked-in-sri-lanka-for-replenishment/article6643129.ece>,

result, obvious negative analyses have emanated from India emphasising that there is 'much more' to this deployment than meets the eye.

At the bilateral level, China's proactive assertiveness in SCS and ECS was mirrored in the two major standoffs in the disputed areas of the Himalayan border. The fact that these confrontations took place while the Chinese premier and the President were on official visits to India makes these significant. The observation in some quarters that these were independent and unrelated actions by the Chinese military does not seem logical. The timings and their repeated nature also obviate the possibility that these were coincidental.

In sum, there is a constant thread running across the 'strategic behaviour' by China where it is ready to cooperate and contribute on issues that do not affect its so-called 'core issues'.

Policy Options Way Ahead

In view of the above, the policy responses would have to factor a mixture of 'cooperation and competition' and this would extend 'within and among' the strategic dimensions of politics, economics, and security. An enhanced influence building and naval presence by China is a definite given its vital stakes in the IOR. What remains to be seen is the 'tone, tenor and temper' of its interactions and engagements in the Indian Ocean. A careful analysis of this trend becomes important for India in its renewed efforts for an inclusive, multi-sectoral and cooperative architecture. At this stage it would recall the words of Geoffrey Till who states that coexistence of cooperative, competitive and conflictual tendencies is an inevitability in current

globalised environment.¹⁰⁴ Another approach could be derived by farming Thomas Schelling's game theory for international relations, where it is averred that most of the 'interesting strategic relationships' are, in fact variable-sum games where a single track policy of pure cooperation or absolute friction is not the optimal option.¹⁰⁵ In this case, selective engagement that mutates across the responses from strategic institutions appears to be the feasible alternative. While India may and has cooperated on some aspects like joining the Asian Infrastructure Investment Bank (AIIB) and positive response to the BCIM initiative, it has been reticent in giving support to the 'whole of MSR' project. Such dual track strategies of walking along or away by examining the 'give and take' apropos the 'pros and cons' will allow to successfully manage the simultaneous paradoxes. However, this would require various shades of internal (hard) and external (collective) balancing. These would have to be supported by 'smart hedging' through implicit choices to cooperate or compete with major players. The recent articulations by the national and military leaderships indicate that such a policy framework is evolving and augurs well for taking the 'India story' forward.

¹⁰⁴ Geoffrey Till, *Seapower: A Guide for the Twenty-First Century*, (New York: Routledge, 2009), p. 16-18.

¹⁰⁵ Thomas Schelling, *The Strategy of Conflict*, (Massachusetts: Harvard University Press, 1981), pp 4-8.