MARITIME PERSPECTIVES
2015
Foreword

I am happy that the National Maritime Foundation (NMF) has continued the practice initiated last year of compiling its annual web-publications in the form of an edited volume.

This compilation of View Points and Issue Briefs on topical strategic, maritime and related issues places on record the latest developments in the areas of India’s maritime interest as articulated in ‘Ensuring Secure Seas: Indian Maritime Security Strategy’ (2015). The essays in this volume amply indicate that India’s economic, security and geopolitical environment continues to be dynamic, posing multifarious challenges for national policymaking, as also opportunities for inter-state cooperation.

I am confident that this compilation would help the readers to discern the emerging trends for more rigorous policy-relevant analyses, and serve to further the Foundation’s overarching objective to promote maritime awareness among the broader strategic community and public at large.

Date: 1 February 2016

Admiral DK Joshi
PVSM, AVSM, YSM, NM, VSM (Retd.)
Chairman
National Maritime Foundation

Place : New Delhi
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Maritime Strategy and Geopolitics
In March 2015, the United States published a new maritime strategy document titled ‘A Cooperative Strategy for 21st Century Seapower’ (Strategy-2015). It supersedes the one of the same title published eight years ago in October 2007 (Strategy-2007). It is the first maritime strategy to be released after the US announced its ‘Rebalance to Asia’ in 2011, and comes amidst seminal developments with far-reaching geopolitical and security ramifications. This view-point attempts to analyze Strategy-2015, including in comparison to Strategy-2007.

Jointness and Political Interface

Strategy-07 was the first-ever combined strategy of the three US Sea Services (Navy, Marine Corps and Coast Guard). Strategy-2015 maintains this feature, with is appropriate since the maritime environment is essentially ‘joint’, and therefore, any strategy relating to the maritime realm cannot be a single-service articulation. Besides, due to fiscal uncertainties the US is facing today, an inter-service synergy is necessary to avoid duplication of resources and optimise investments for capability development.

Notably, unlike the 2007 document, the new strategy contains a ‘Preface’ by the Secretary of the Navy, which indicates an enhanced political interface with the Sea Services, possibly in terms of both oversight and support of the higher national leadership.

Indo-Asia-Pacific

The new strategy contains an explicit focus on the region that it calls the “Indo-Asia-Pacific”. While US officials have been increasingly using this phrase, the 2015 Strategy document is the first official articulation. The inference is two-fold:

- First, it denotes the realisation of the ‘inadequacy’ of ‘Asia-Pacific’ to address the emerging geopolitical,
economic and security dynamics of the rising Asia.

- Second, while the phrase ‘Indo-Pacific’ has become more prevalent in Asia since 2007, the US preference to use “Indo-Asia-Pacific” indicates that it wishes to be part of Asia’s ‘rise’ and derive the attendant gains.

Ends, Ways and Means

The term ‘strategy’ is defined as an articulation of ‘ways’ and ‘means’ to achieve the ‘ends’. In this context, Strategy-07 was merely a ‘primer’ to strategy. It referred to ‘ends’ in very broad terms, without going into specifics of security challenges. It avoided naming countries, either as adversaries, or allies and partners. While it mentioned maritime threats like piracy, it did not contextualize these with specific areas. It was also frugal in expounding on the ‘ways’ and ‘means’.

In comparison, Strategy-15 is a detailed articulation. It echoes the spirit of the US ‘Rebalance’ policy in terms of China’s naval ascendancy as both an opportunity and a challenge. It seeks to temper Beijing’s revisionist stance and dissuade its politico-military assertiveness through multifaceted engagement. It is also more forthright in defining the “military challenges”, such as the “Russian military modernization (and) aggression” and the (Chinese) “anti-access/area denial (A2/AD) capabilities that challenge our global maritime access....” Furthermore, it is more explicit on the ‘geography’ of piracy, the effects of religious radicalism and the fundamentalist groups. In terms of the ‘ways’ and ‘means’ too, Strategy-2015 reveals as much as a document in the public domain possibly can. It provides much detail on the US plans to allocate forces for the ‘Rebalance’.

Strategic and Operational Access

Since the middle of 20th century when the US rose to superpower status with the ability to influence events worldwide, unimpeded strategic access to the global commons and freedom of operational manoeuvre have been the cornerstones of its military strategy.

While Strategy-2007 did acknowledge the operational salience of dominating the realms of space, cyber and the electromagnetic (EM) spectrum – as integral to sea control, for instance – it conceived strategic access largely in the geospatial context: sea, land and air. Strategy-2015 goes beyond this to seek access and freedom of action in any domain—the sea, air, land, space, and cyberspace, as well as in the EM spectrum. In all likelihood, this is a declaration meant to counter
China’s declaratory policy of A2/AD in the western Pacific, including the asymmetric challenges in the space, cyber and EM domains that Chinese military forces may impose upon their US counterparts.

**Forward Presence and Partnership**

Strategy-2007 had laid much emphasis on forward presence of the US Sea Services as essential for a major power like the US that seeks *inter alia* to shape developments in its areas of interest, be better prepared to respond to adverse contingencies, deter and dissuade potential adversaries, reassure allies and friends.

While maintaining the emphasis on forward presence, Strategy-2015 also explains how the US intends to achieve this more effectively, both operationally and fiscally. It adds that the forward naval presence would enable a quick and seamless access to the US joint military forces, if and when the occasion demands.

Given that resource limitations envisaged by the US Sea Services, ‘forward naval presence’ is closely enmeshed with the need to develop partnerships with local maritime forces. The Thousand Ship Navy (TSN) concept propounded by the US Navy’s Chief of Naval Operations (CNO) Admiral Mike Mullen in 2005 was rephrased as the ‘Global Maritime Partnership’ (GMP) initiative in Strategy-2007. As a set of informal arrangements, the GMP was also intended to “send powerful messages to would-be aggressors that we will act with others to ensure collective security....”

Strategy-2015 furthers the appeal for the partnership, now rephrased as a “global network of navies”. The document effectively communicates to the potential partners the rationale for such “plug and play” cooperation with the US forces *sans* “commitment”.

**Force Design and Employment**

Strategy-2015 describes “a force that balances warfighting readiness with our Nation’s current and future fiscal challenges”. This statement seems to be the mainstay of the force design and employment strategy of US Sea Services.

Strategy-2007 had laid down the intent to “tailor” maritime forces “to meet the unique and evolving requirements particular to each geographic region”. Strategy-2015, possibly driven by fiscal prudence, seems to have adopted a less ‘ambitious’ approach. It aims only to “align (existing) capability, capacity, and platforms to regional mission demands...by ensuring that our most
modern and technologically advanced forces are located where their combat power is needed most”. It also seeks to enhance the effectiveness of naval forces by employing “new warfighting concepts... and.... innovation.” The innovations stipulated by the document include increasing forward-basing of forces “to reduce costly rotations...” and developing modular platforms like Littoral Combat Ships (LCS) to enable swapping mission modules in lieu of costly ship rotations.

In sum, Strategy-2015 is not only a quantum improvement over the preceding strategy document of 2007, but also sets a model for the other existing and emerging major powers to emulate in the interest of transparency in military concepts and capability development. Such transparency is essential among maritime-military forces that operate in the international medium, and particularly those belonging to the “Indo-Asia-Pacific” region that is becoming increasingly volatile, as recent developments indicate.

21 August 2015
‘Indo-Pacific’: Evolving Perceptions and Dynamics

Premesha Saha

‘Indo-Pacific’ is a relatively new and evolving concept, whose usage in foreign policy and strategic articulations has gained much currency in the recent past. The ‘rise’ of Asia—particularly China and India—have made the concept highly relevant, in both geo-strategic and economic terms. For much of the twentieth century, the concept of the ‘Indo-Pacific’—initially propounded in the 1920s by the German geographer and geopolitician Karl Haushofer—received little attention in the strategic and geopolitical discourse. It was only in early-2007 that the concept appeared in an academic writing, notably in India’s Strategic Affairs journal. Along with this writing, the “Confluence of the Two Seas” articulation of the Japanese Prime Minister Shinzo Abe may be considered seminal to the development of the concept in recent years. Delivering a speech at the Indian Parliament in August 2007, Mr. Shinzo Abe contended that, “The Pacific and the Indian Oceans are now bringing about a ‘dynamic coupling as seas’ of freedom and of prosperity. A ‘broader Asia’ that broke away geographical boundaries is now beginning to take on a distinct form.”

Although the concept of ‘Indo-Pacific’ is now being widely used, there is a divergence among analysts on its geographical contours. In the Indian writing of 2007, it refers to the maritime space comprising the Indian Ocean and the Western Pacific and the countries littoral to these oceans, including West Asia/Middle East and eastern Africa. At the other extreme, a conceptualisation extends the concept of ‘Indo-Pacific’ to ‘Indo-Asia-Pacific’ covering the entire Pacific Ocean. Questions are also raised as to as to how the ‘Indo-Pacific’ is different from the already established term ‘Asia Pacific’. Further, why countries like China are not keen to embrace the idea of ‘Indo-Pacific’?

In the above context, this issue brief explores the nuances of the ‘Indo-
Pacific’ concept, and the reasons of its resurgence. It also analyses how the three main powers of the Indian Ocean Region (IOR) Australia, India and Indonesia perceive the concept.

**Meaning of ‘Indo-Pacific’**

The ‘Indo-Pacific’ in recent times is likely to replace ‘Asia-Pacific’ as the new zone of convergence and competition of the three powers, that are India, China and the United States. Despite intense economic interdependence among these three powers, there is also contestation for dominance and influence in this region. The ‘Indo-Pacific’ has also emerged as a highly volatile region for nuclear proliferation involving several states, particularly the Democratic People's Republic of Korea.

In his classic book on sea power, Alfred T. Mahan emphasized the primacy of sea power in the Indian and the Pacific Oceans. He viewed “the two oceans hedging the continental world island and decisive of the impact that it created in terms of security and strategy.” Nicholas Spykman termed the Indo-Pacific as the “circumferential maritime highway which links the whole area together in terms of sea power.” In the 1980s and 1990s, the term ‘Asia Pacific’ was used to analyse the situation in the ‘Pacific Rim’; by 2010, the term ‘Indo-Pacific’ was created to describe the Indian and the US perspectives of the maritime and strategic convergence of the Indian and Pacific Oceans.

**Rise of ‘Indo-Pacific’**

There is nothing new in the term ‘Indo-Pacific’, if one takes a look at the history of Asia. Till the advent of colonialism, and before the Atlantic Ocean gained prominence after the Industrial Revolution, the Indian
Ocean was the prime conduit of global activity. Its influence stretched as far as China, especially the region comprising the eastern Indian Ocean and the West Pacific Ocean—from India to Northeast Asia—was the hub for much of the global activity and interactions, with implications reaching far and wide beyond this region. The Indianized kingdoms like Champa in South Vietnam to Khmers in Cambodia, and from Sri Vijaya and Sailendras in Indonesia to numerous kingdoms in Thailand and Myanmar, are proof of the impact of the Indian influence and also the exchanges that took place in the ‘Indo-Pacific’ region during that time.  

The resurgence of ‘Indo-Pacific’ in the 21st century can be attributed to the advent of globalisation and the increasing economic links between countries. The economic and military rise of Asia, has led to the revival of ‘Indo-Pacific’. The growing economic links between the nations has led to countries forging both bilateral and multilateral economic cooperation agreements like the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP).  

Two other developments also account for the rise of ‘Indo-Pacific’. The first is the ‘rise’ of India as a relevant regional power, considering its growing engagements with the countries in East Asia, besides its prevailing influence in the IOR. As an emerging major power, India aspires to play a bigger role in the extended neighbourhood in the ‘Indo-Pacific’ region, much beyond its immediate neighbourhood. Its growing military capability, a fast evolving blue-water capable navy, and an economy that is already the fourth largest in PPP terms with huge untapped potential, India will be a major player in the ‘Indo-Pacific’ dynamics. Nearly 50 per cent of India’s trade is with East Asia, and has witnessed high growth compared to any other region. Significantly, some of the top investments in India are from East Asia, particularly Japan. India has signed the largest number of comprehensive economic partnership agreements with East Asian countries, and will be a part of the region’s mega trading bloc once the RCEP becomes functional. Likewise, India has also entered in a large number of defence and strategic agreements with countries ranging from the Indian Ocean rim to East Asia.

The rising salience of the IOR is another factor. It is implausible to imagine the dawn of an Asian Century without the Indian Ocean, its huge natural resources (in particular energy) that are crucial for the economic development of East Asia and the
shipping lanes that traverse through this ocean, besides the growing market along its rim.\textsuperscript{19} Comprising some 2.6 billion people, this region is home to almost 40 per cent of the world’s population, and accounts for 10 per cent of global GDP (about US$ 6.5 trillion). Further, 40 per cent of global trade passes through the Indian Ocean, including 70 per cent of the total traffic of petroleum products.\textsuperscript{20}

**Australian and the ‘Indo-Pacific’**

Australia had long embraced the term and recognised its importance. The idea had emerged in the 1950s and the term ‘Indo-Pacific’ featured regularly in Australian academic discourse and government discussions since 2005. While some government documents published in late 2012 and early 2013 referred to the ‘ Indo-Pacific’, its full adoption as defining Australia’s region came about only in May 2013, with the release of the Defence White Paper where ‘the ‘Indo-Pacific’ was officially listed as one of the four strategic interests of Australian defence policy.’\textsuperscript{21} While there are competing definitions of the geographic extent of the ‘Indo-Pacific’ based on different visions of the Indian Ocean, the Australian concept of the region is centred on “the maritime Indian and Pacific Oceans and their convergence in Southeast Asia.”\textsuperscript{22} The Defence White Paper defines the ‘Indo-Pacific’ as the ‘strategic arc … connecting the Indian and Pacific Oceans through Southeast Asia’.\textsuperscript{23} The rationale for using the term ‘Indo-Pacific’ is to take into account the current strategic realities like the ‘rise’ of India, China and Indonesia in Australia’s neighbourhood, and the US Rebalance to Asia. Australia will play an important role in the US’ Rebalancing strategy as was reflected with President Obama announcing the stationing of 2,500 US Marines at a military base in Darwin. On the domestic front enormous quantity of exports from western Australia has made the Indian Ocean and its shipping lanes critical for its own economic development.\textsuperscript{24}

**Indian Perceptions**

India also comes in the list of the few countries that have welcomed the idea of the ‘Indo-Pacific’ and included it in its official discourse. Former Prime Minister Dr. Manmohan Singh first used it while addressing the Plenary Session of the India–ASEAN Commemorative Summit in New Delhi in November 2012, remarking that “a stable, secure and prosperous ‘Indo-Pacific’ region is crucial for our own progress and prosperity”.\textsuperscript{25} He used the term on two other occasions, once while addressing the Japan–India Association in Tokyo in May 2013 and the other at an event marking the fourth anniversary of the
India’s embrace of the ‘Indo-Pacific’ construct denotes two things: (a) desire to play a more active role in its extended neighbourhood, that is reforming its Look East policy and making it more proactive; and (b) recognising the changing realities of the region which demand India’s attention. Not surprisingly, there are many views on the ‘Indo-Pacific’ in India.

India has been deepening bilateral defence and maritime security cooperation with the United States, Australia, Japan and Vietnam. At the same time, free trade agreements with Singapore, Thailand, Malaysia, South Korea and Japan and multilateral agreements with ASEAN under the RCEP initiative indicate the economic rationale behind India’s embrace of the ‘Indo-Pacific’ construct. In a speech in Tokyo in May 2013, former Prime Minister Singh evoked Prime Minister Abe’s 2007 articulation of ‘the confluence of the two seas’, the Indian and Pacific Oceans, defining it as the ‘framework for our bilateral relationship’ and referring to Japan as ‘a natural and indispensable partner in our quest for stability and peace in the vast region in Asia that is washed by the Pacific and Indian Oceans’. At the same time, India has been active in its engagement of ASEAN through bilateral and multilateral channels such as the East Asia Summit (EAS) and ASEAN Defence Ministerial Meeting Plus (ADMM+). By drawing up close bilateral and defence ties with the US and its allies Japan and Australia in the region, the Indian government, in recent times, has transformed India’s ‘Look East’ policy to an ‘Act East’ policy. The ‘Joint Strategic Vision’ to ensure maritime security and freedom of navigation especially in the South China Sea issued during President Obama’s India visit in January 2015 reflects the ‘Indo-Pacific’ outlook of the Modi government. Furthermore, Modi’s attempt to revive the ‘Quadrilateral Security Dialogue’, or the ‘Asian Arc of Democracy’, is another indication of the growing recognition of India’s security interest in the ‘Indo-Pacific’.

China’s build-up of ports and refuelling stations all around India, including Pakistan (Gwadar), Sri Lanka (Hambantota), Bangladesh (Chittagong) and Myanmar (Sittwe and Kyaukpyu) has created a deep anxiety within Indian strategic circles. The suspicion of Chinese encroachment is more prominent in the Indian naval establishment. Moreover, as India grows economically, increasing its reliance on the shipping lanes for trade and resources, maintaining a firm hold in the Indian Ocean is becoming a core priority. Already, Chinese presence in
the Persian Gulf and Red Sea is creating a ‘Hormuz dilemma’ in the Indian strategic imagination, similar to the ‘Malacca dilemma’ of the Chinese. The increases in Chinese defence spending and rapid naval modernisation since the 2000s have led policy-makers from around the world to speculate about Chinese intentions in the region. Indian strategists and policy-makers follow China’s stance in the East and South China Sea disputes carefully and share regional concerns about China’s assertive posture. Since the 2000s, India has been heavily engaged in modernising its own armed forces. Especially since the terrorist attack in Mumbai in 2008, strengthening the navy and the coast guard has been the focus of the strategic establishment.  

India has been proactively engaging the small island states to ensure peace and stability within them and offering help with the same, as it did in 2009 when it offered to monitor elections in the Maldives. Additionally, India has also started its own outreach towards the Pacific island states, with Modi’s visit to Fiji in November 2014.  

**Indonesia and the ‘Indo-Pacific’**

In the Vision Mission statement (Visi-Misi) in 2014, President Widodo aims to project Indonesia as a maritime power in the ‘Indo-Pacific’. He sees the closely inter-connected Pacific and Indian Oceans (PACINDO) as the primary theatre of Indonesian foreign policy engagement given Indonesia’s location at the cross-roads of the Indian and the Pacific Oceans, its upcoming role as the chair of the Indian Ocean Rim Association (IORA) by the end of 2015, its improved relations with neighbouring countries like India, Australia, who are the dominant powers in the ‘Indo-Pacific’, and also new policy initiatives by countries like India in the form of the ‘Act East’ policy and China’s ‘One Belt One Road’ initiative from which Indonesia can benefit highly. Indonesia’s ‘Indo-Pacific’ vision is also not new and was seen in the previous Foreign Minister, Natalegawa’s statement at the Centre for Strategic and International Studies in Washington in May 2013 where he stated that,

“A triangular (space) spanning two oceans, the Pacific and Indian Oceans, bounded by Japan in the north, Australia in the South-east and India in the south-west, notably with Indonesia at its centre.”

In the 2012 Shangrila Dialogue, President Yudhoyono declared,

“There is every likelihood that in the twenty-first century the Indian Ocean will grow in geostrategic importance. We must make sure that the Indian Ocean does not become
an area of new strategic contest and rivalry. Indeed, now is the time to cultivate the seeds for long-term cooperation, based on common interests in that part of the world.\textsuperscript{37}

\textbf{Concluding Remarks}

It is generally believed that the idea of the ‘Indo-Pacific’ has been propagated to contain China. This assumption is not true as for regional peace and stability, China’s role is crucial. While the regional interests of the great powers may diverge on occasions, shared economic interests, security and prosperity will co-exist with competition. This will demand the powers to work together for the materialisation of their interests and in dealing with the rising security threats in the region. Thus, the ‘Indo-Pacific’ needs to be viewed in the larger perspective of offering more opportunities for cooperation than competition. The idea of ‘Indo-Pacific’ offers enormous scope for regionalism and multilateralism to play a more important role than has been the case hitherto. Moreover, the idea is a reflection of the rapidly changing geopolitical landscape, which cannot be viewed with scepticism, but embraced and promoted.

19 October 2015

\textbf{Notes}


10 Ibid.

11 Ibid.

12 Ibid.

13 Ibid.

14 Ibid.


17 Ibid.


22 Ibid.


26 Ibid.


31 Ibid.

32 Ibid.


34 Ibid. ,p.230.


37 Ibid.
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Gargi Vyas

The Security Environment in East Asia

The East China Sea dispute presents a major challenge for the US-Japan alliance. This dispute is over the Senkaku (Diayou in Chinese) Islands, a group of five islands in the East China Sea that are uninhabited and currently controlled by Japan, but contested by the People’s Republic of China and Taiwan. The ownership of the islands would provide the claimants unrestricted access to the Western Pacific ocean. In 2013, US President Obama stated the US stance on the dispute, saying,

“Our commitment to Japan's security is absolute and article five [of the security treaty] covers all territories under Japan’s administration, including the Senkaku islands… We don't take a position on final sovereignty on the Senkakus but historically they’ve been administered by Japan and should not be subject to change unilaterally.”

The East China Sea shelf range has 175 trillion to 210 trillion cubic feet of gas reserves according to Chinese surveys, whereas foreign estimates say these are close to 100 billion barrels. The Xihu trough and the Chun Xiao reserves are predicted to contain 17.5 trillion cubic feet and 1.8 trillion cubic feet of gas reserves respectively. Moreover, estimates indicate that the Senkaku/Diayou seabed has significant oil resources, with Japanese surveys reporting more than 94.5 billion barrels of oil. Japan and China’s dispute extends to resource management, especially regarding oil exploration and resource extraction in their waters by the other side. This is primarily due to the overlapping claims of maritime entitlements by the two countries. An optimal method for avoiding resource disputes would be to ensure proper communication and practice joint resource management until a permanent resolution is achieved. Until then, the East China Sea region will continue to witness security volatility driven by sovereignty and resource causations.
The dispute is significant even without the economic aspect. It presents a considerable challenge to Japanese security— not only in terms of territorial sovereignty but also with regard to the national identity of the Japanese. Japan’s military modernization is a way of deterring China's rise in the region, and nationalism and history play a key role in shaping the regional dynamics. The two factors have led to major riots and heated arguments in the parliament over the proposed revision of Article 9 of the Japanese Constitution. Japanese Prime Minister Abe appears to be a pro-nationalist leader, and his attempts to revise Article 9 as well actions such as his visit to the Yasukuni shrine raise unpleasant memories of pre-World War II militarist Japan, creating concerns not only among the domestic community but across the larger Asia-Pacific.

**How equipped is Japan?**

Prior to discussions on the revision of Article 9, the Japanese government has already taken some steps towards an increased level of military autonomy. Japan’s State Secrets Law, also known as the Special Secrecy Law, came into effect in 2013. It allows certain information to be classified by the government, and this was interpreted by the Japanese media and people to be a tool of democratic compromise and a violation of the people’s right to information. Since then the law has faced backlash and led to reduction in government approval ratings by almost 10 per cent. However, the law is essential in the highly hierarchical and bureaucratic system of the Japanese government that involves dissemination across multiple levels of agencies at several levels, thus requiring some mechanism to prevent unintended breach of information. The law reduces the probability of information exposure due to political osmosis and also speeds up policy implementation.

Within this law is an underlying element of Japan taking responsibility for insulating state information, which is a fundamental component of military independence and self-determination. Certain other developments under the Abe administration are prognostic of Japan’s move toward ‘normalcy’ and military independence, leading to apprehension regarding the nullification of Japan’s constitutional resolution to renounce war and not maintain an offensive armed force (revised to not maintaining an offensive armed force—leading to the establishment of the Self-Defense Forces). This includes the creation of the National Security Council, an organization “spanning government departments and shouldering the responsibility for an integrated foreign
and security policy, under the guidance of the Prime Minister.”

Japan has also articulated a National Security Strategy as a security guide, a reviewed defence guidelines titled ‘National Defence Program Guidelines for FY2014 and Beyond’, the Three Principles on Transfer of Defence Equipment and Technology, and the Advisory Panel on Reconstruction of the Legal Basis for Security. These may not be remarkable developments when compared to the rest of the world, but for a country lacking a security architecture for several decades, it is an important step towards becoming a ‘normal’ country. Furthermore, in 2015, the United States and Japan reviewed and modified the US-Japan Defence Guidelines. The National Security Strategy encourages ‘active pacifism’ that refutes disarmament as the only way to practice pacifism and avoid militarism. The strategy outlines three objectives: addressing the necessity for ensuring deterrence, promoting secure regional politics in the Asia-Pacific region, and contributing to global security and peacekeeping. The document also talks about the need to strengthen the US-Japan alliance. US foreign policy in Asia is highly contingent to the US-Japan alliance forged at the end of the Second World War. The partnership has so far been highly beneficial to both parties.

Is the US Security Umbrella Sufficient?

The 21st century presents several challenges to the US-Japan alliance. US policies seem to indicate a greater amenability to accommodate the growing changes in the region. The rise of China, militarily and economically, has compelled the two allies to create robust and more deliberate alliance mechanism and operations. This is even more critical with increasing tensions in the East China Sea. Other constraints include Japan’s slow and vulnerable economic revival and the process of American economic recovery, and in both cases, domestic demands have the potential to slow down foreign policy aspirations. Japan’s volatile political system, evident by unstable coalition politics and the short ruling terms, are not favourable for making a coherent and long-term foreign policy. Similarly, the current US administration faces the challenge of balancing domestic politics and the larger aims of the rebalance to Asia-Pacific strategy. Moreover, the alliance does not comprehensively cover issues such as humanitarian support that are important in the current world order, thus providing a new dimension to the exercise of the alliance.

After the draining effects of two long wars, the US military is trying
to consolidate and determine the usage of its military capabilities in an austere fiscal environment. US military resources are already overstretched due to reducing military budgets relative to the technological development of arms and deployment costs. There is also the possibility of distractions from emergent threats like the current US involvement against ISIS. These could undermine the promises of the revised US-Japan security alliance, leading to a security predicament and under preparation for Japan, especially when faced with a looming China capable of pursuing unilateral actions due to its escalating military advancement and economic might.

The US-Japan Alliance as a Security Provider

Even though a ‘normal’ Japan may exist at some time in the future, it would be too risky to depend solely on this possibility and divert from the proven advantages of the US-Japan alliance. It is important to utilize the strength and capability of the alliance to not only achieve Japan’s security interests (the East China Sea dispute being a major one), but also speed up the process of Japan’s path to ‘normalcy’. It is essential for the US-Japan alliance to become more institutionalized, comprehensive, and permitting of a less passively pacifist form of military development in Japan.\(^\text{15}\)

The claims that US support of an increasingly independent Japanese military could lead to Japan reverting back to its militaristic past are misplaced. Several countries have participated in war in the past, but Japan has been paying the price for being on the losing side for longer than any one of its allies. The Japanese cultural concept of ‘saving face’ led to Japan accepting Article 9 despite being a sovereign nation. The world order today demands accountability and is increasingly anarchic. Waltz’s infamous and maximalist nuclear deterrence argument\(^\text{16}\) can be modified as per conventionality for applicability in this scenario: a Japan with military capability like every other nation in the Asia-Pacific and beyond will actually contribute to peace, security and stability. It would deter China’s assertiveness in the region, aid the US rebalance, and consequently ensure security of other surrounding countries that might not be as militarily strong as China or Japan. It would also help Japan face the increasingly important issue of a nuclear and unstable North Korea. Providing military support to South Korea in case of conflict between the two Koreas would enable betterment of the current difficult relations. Extending
this argument further, it is preferable to have multiple nations with military power to create a sensitive yet highly stable form of deterrence where another’s weapons will prevent each from using their own.\textsuperscript{17}

Military power is also essential in ensuring safety of passage and trade routes in the extremely busy western Pacific Ocean through resolution of the Senkaku/Diaoyu Islands dispute, sea patrols, and anti-piracy measures. Maritime security is especially important to ensure the success of the Trans-Pacific Partnership (TPP) wherein the participating countries account for 26 per cent of the world’s trade, 793 million consumers, and 40 per cent of the world’s total GDP.\textsuperscript{18} The partnership aims to strengthen the US-Japan alliance and trade relations, help regenerate the Japanese economy, benefit the United States’ Asia rebalance strategy, create a structure that would bring together several Asia-Pacific countries in one of the biggest trade partnerships in the world, contribute toward economic development in the region, and deter the monopoly of China owing to its huge economic strength. A militarily stronger Japan would lead to a more balanced political and economic structure in Asia. As an analyst states, “unlike China, Japan is a country that seeks alliances and naturally wishes to be part of a system, not a solitary player.”\textsuperscript{19}

In the current times we can definitely see a stronger US-Japan alliance, especially in the military context. According to the 2014 ‘Defence of Japan’ released annually by the Japanese Ministry of Defence, the US deployment status in Japan has evolved to include advanced assets such as the F-22, MV-22 Ospreys, P-8, and the Global Hawk.\textsuperscript{20} Two Aegis BMDs are expected to be permanently deployed by 2017. The document states that a nation cannot develop stable defence measures on its own, and therefore acknowledges the significance of alliances in maintaining security interests in the increasingly volatile East Asia to not only defend Japan, but also secure the Asia-Pacific region. Close coordination within the US-Japan alliance would form the “foundation for various forms of international collaboration….which leads to the heightened operational effectiveness of the Japan-US Security Arrangement”.\textsuperscript{21} The document also recognizes that the American influence may be changing relatively however, according to the Quadrennial Defence Review (QDR) released by the United States in 2014, the Asia Rebalance Strategy and the security alliance with Japan continue to be essential components of the US Department of Defence’s security
strategy. The general nature of Article 9 has been accommodated to state in the document that Japanese Self-Defence Forces can participate along with US forces to respond to issues regarding the “peace and security of the Far East Region to which Japan belongs”. This can also be seen in the National Security Strategy that reiterates the necessity of developing the Self-Defence Forces and maintaining a comprehensive architecture to ensure readiness and flexibility in security issue responses.

It also expresses the importance of ‘Open and Stable Seas’ to Japan, stating that Japan would provide assistance and “enhance maritime law enforcement and cooperation with partners on sea lanes who share strategic interests with Japan”.

The recently released 2015 Guidelines for Japan-US Defence Cooperation emphasize the need for a more pro-active Japan, allowing the Japanese Self-Defence Forces to go beyond their traditionally expected duties in accordance with the constitution. The ‘Alliance Coordination Mechanism’ aims to develop a stronger and more interactive policy and operational coordination during peacetime as well as conflict. These guidelines repeatedly mention the rising security concerns for Japan, and articulate the importance of bilateral planning and training to ensure proper planning and execution.

Especially in the maritime context, plans for development in the fields of intelligence, surveillance, air and naval equipment, reciprocal asset protection and logistic assistance, etc. can be seen. Some noteworthy points include the provision of higher responsibility of defence to the Japanese forces for immediate response to an attack on Japanese sovereignty after exhausting any alternative, chiefly diplomatic, methods of resolution. This emphasizes the Japanese commitment to pacifism that is nevertheless informed and equipped in accordance with the security demands of the region. Another area where Japanese forces can exercise operations is in the Air Defence Zones, and these include use of ballistic and cruise missiles. This could be seen as a response to the problem of the overlapping Chinese Air Defence Identification Zone (ADIZ). The Guidelines also assert the significance of ensuring freedom of navigation and protecting Japanese waters and trade routes. This is even more important in the near future with Japan's import and export based economy being a major participant in the Trans-Pacific Partnership.

**Conclusion**

It is essential for Japan to continue expansion of provisions within the
Constitution as Japanese Prime Minister Abe has demonstrated by revamping the security architecture of Japan, advance the US-Japan alliance to accommodate these provisions (positive predictions can be made from the revised 2015 guidelines), and engage in international military exercises. With an understanding of how critical it is for Japan to become more militarily secure and strengthen its alliance with the United States, a stronger Japan that may be able to alleviate tensions in the East China Sea dispute can be predicted. This may be a chance for Japan to attain its goal of becoming a ‘normal’ country, by playing a more significant role in world affairs and becoming an important player in matters of Asia-Pacific security. This may also ease the Japanese people as well as the rest of the world towards the idea of a Japan with military capability but the wisdom to not revert back to its World War II days. A stronger Japan and US-Japan alliance would lead to multiple beneficial consequences that go beyond advantages for not just the involved countries by ensuring a stable balance of power in the China Seas and preventing unilateral actions by any one country.

11 August 2015

Notes

1 They were taken under national control by the Japanese according to terra nullius (nobody’s land) in 1895. The Qing dynasty ceded the southern portion of the province of Fêngtien, the island of Formosa and the islands appertaining or belonging to the island of Formosa, and the Pescadores Group to the Japanese government according to the Treaty of Shimonoseki in April 1895. The Treaty was renounced post World War II, and since Japan did not consider the Senkaku/Diaoyu Islands to be a part of the treaty but a sovereign right of the country through terra nullius, the dispute over possession of the islands continues to this day. The People’s Republic of China (and Taiwan) claim ownership of the islands, and justify this according to discovery rights, historical occupation, and by-products of an unequal treaty, at http://www.taiwandocuments.org/shimonoseki01.htm and http://www.eurasiacenter.org/publications/Senkaku_Diaoyu_Island_Dispute.pdf.


4 Ibid.

5 As an analyst contends, “Governments in Tokyo and Beijing have the option of nuancing their actions, and even favour cooperative forms of interactions. In this respect, “natural resources can be shared” and past willingness to jointly investigate and explore gas fields would suggest that the existence of an agreement over the boundary dispute is not regarded as a precondition for economic cooperation.”


6 Article 9 in the Japanese Constitution states “Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized.” It was a result of the Yoshida Doctrine developed in 1951 that encouraged single-minded economic progress unhindered by security concerns since American deployment could manage that.


7 For example, neighbour country South Korea to this day demands apology, acceptance, informational accuracy, and reparations concerning the comfort-women controversy.


9 Ibid.

10 Ibid.

11 Quoting from the translated document, “surrounded by an increasingly severe security environment and confronted by complex and grave national security challenges, it has become indispensable for Japan to make more proactive efforts in line with the principle of international cooperation”, (emphasis added). Ministry of Defence, Japan, National Security Strategy of Japan, at http://www.cas.go.jp/jp/siryou/131217anzenhoshou/nss-e.pdf.

35
12 Signed in 1951 and revised in 1960, the Treaty of Mutual Cooperation and Security grants the United States the right to military bases on the archipelago in exchange for a US. pledge to defend Japan in the event of an attack.

13 Exemplified by the strong American presence in the Korean War, deterrence of major proliferation of Russian and Chinese communism in Asia, the economic boom in Japan in the Cold War era, the ability of Japan to deter anti-security processes despite lacking official armed forces while existing in a volatile political region (rising China, nuclearizing North Korea), collaboration during the Gulf and Iraq wars, etc.


14 Ibid.

15 It is necessary for the United States to “strengthen its relationships with the region across various dimensions and issue areas, not only through verbal commitments but through concrete action. It should try to build a system for regional cooperation and integration so as to become a real ‘resident power’ in the region. The United States should operationalize its stated commitment to the region.”


16 A world with nuclear weapons is safer than one with selective nuclear capability—“mutually assured destruction creates a more secure environment”.


17 Ibid.


21 Ibid.

22 “60% of US Navy assets will be stationed in the Pacific by 2020 including enhancements to its critical naval presence in Japan, and the Air Force will move forces such as ISR (intelligence, surveillance and reconnaissance) assets to the region.” ibid.

23 Ibid.


25 Ibid.


27 Ibid.
China Challenges the Unipolar World Order: An Assessment of China’s Defence White Paper 2014

Gurpreet S Khurana

China has been issuing Defence White Papers biennially since 1998. The ninth White Paper of 2014 titled ‘China’s Military Strategy’ was released recently in May 2015. This essay seeks to analyse the salient aspects of the document, particularly in context of the preceding document of 2012 released in April 2013.

In comparison to the Defence White Papers published by China in the preceding years, the 2014 document is very concise. Nonetheless, it reveals substantial content and context, disproportionate to the size of its text. While much of the revelation is likely to be Beijing’s ‘strategic communications’, the document is nonetheless insightful.

Title of White Paper

The present White Paper has continued the trend of using a thematic title – a trend that was initiated with the 2012 document titled ‘The Diversified Employment of China’s Armed Forces’. The trend and the specific title spelling out “China’s Military Strategy” signify the increased self-confidence of an emerging global military power, which until a few years ago, preferred to be opaque to the world on ‘matters military’. The document also reflects an increased self-assurance as a nation, stating that “China’s comprehensive national strength, core competitiveness and risk-resistance capacity are notably increasing, and China enjoys growing international standing and influence”.

Core National Objectives

In the document, China has maintained its earlier stance of avoiding war through its military strategy of “active defence” (that envisages an ‘offensive’ only at the operational and tactical levels). However, the document mentions “preparation for military struggle (PMS)”, which indicates its strong desire to retain the option of first use of military force, if
it cannot achieve its core objectives otherwise. Furthermore, the emphasis on “maritime PMS” indicates that these objectives pertain to Taiwan’s “reunification”, and fructification of its maritime-territorial claims in the Western Pacific. Furthermore, the inclusion of the phase “You fight your way and I fight my way” indicates that China’s war-fighting concept to meet its core objectives is likely to be based on use of asymmetric capabilities.

Maritime Interests

The previous 2012 document stated the PLA Navy’s mandate to preserve China’s sovereignty over its territorial seas and its maritime rights and interests in ‘offshore areas’ against complex security threats, thereby portraying China as a victim or an underdog reacting to the actions of Japan, and implicitly, of the U.S. The new document, however, emphasises on a more proactive protection of its interests in ‘open waters’, thereby enlarging its strategic depth. Notably, the document also calls upon the need to shed the mindset that peace, stability and development of China is linked to affairs on land rather than the sea. This indicates a maritime emphasis of China’s military strategy.

With regard to the security of sea-lanes, it uses the term “strategic Sea Lines of Communication (SLOCs)”. Although the term ‘SLOC’ itself bears a ‘strategic’ connotation, the addition of the adjective indicates that China considers itself vulnerable to commodity denial during war, thereby severely limiting its option of use of military force. Although the document does not specifically mention the ‘Indian Ocean’, the reference to Indian Ocean SLOCs may be inferred.

Naval Presence in Indian Ocean

Alike the previous 2012 document, the 2014 White Paper states that the PLA Navy would maintain “regular combat readiness patrols...(and maintain)...military presence in relevant sea areas.” While the former may refer to the Western Pacific, the latter is a likely reference to the Indian Ocean. This is buttressed by the statement that the PLA Navy would “continue to carry out escort missions in the Gulf of Aden and other sea areas as required, enhance exchanges and cooperation with naval task forces of other countries, and jointly secure international SLOCs.” This implies that China’s naval presence in the Indian Ocean would continue, and may even increase. While such presence may be primarily for undertaking ‘Military Operations Other than War’ (MOOTW), it is likely to be dovetailed with preparing for ‘wartime’ operations.
This assertion is borne out by Beijing’s assertion in September 2014 that its Song-class submarine deployed in the Indian Ocean was meant for counter-piracy. (The credibility of this rationale was dismissed by naval analysts on operational grounds). The document adds that the “PLA Navy will work to incorporate MOOTW capacity building into...PMS” thereby implying the China would also seek to develop fungible capabilities.

Furthermore, the White Paper lays emphasis on ‘sustenance’ of the forward-deployed naval platforms through “strategic prepositioning”. This indicates that China is likely to seek overseas access facilities (if not military bases) in the Indian Ocean, or even resort to the U.S. concept of ‘sea-basing’. The latter possibility is supported by recent news-reports about China developing large ‘Mobile Landing Platforms’ (MLP) similar to those used by U.S. expeditionary forces.

**Military Interface with Major Powers**

The mention of Russia in the White Paper precedes all other countries. The “exchanges and cooperation with the Russian military within the framework of the comprehensive strategic partnership...to promote military relations in more fields and at more levels” indicates the imminence of a China-Russia quasi-alliance.

The 2012 White Paper, without naming the U.S., had expressed a concern for its “pivot” to Asia strategy and “strengthening of its military alliances with the regional countries, leading to tensions.” In contrast, the 2014 document mentions the U.S. explicitly. While it does state the need for “cooperative mechanisms with the US Navy, including exchange of information in the maritime domain”, its tone and tenor indicates a precursor to a ‘Cold War-style’ military interface between the two major powers. It talks about a “new model of military relationship” with the US based on “major-country relations”, with “strengthening of defence dialogue (and)...CBMs to include notification of major military activities (and) rules of behaviour” to prevent “air and maritime encounters...strengthen mutual trust, prevent risks and manage crises.” However, it is yet unclear what kind of bipolar interface will eventually emerge since the current global environment marked by close China-U.S. economic ties is vastly dissimilar to the erstwhile Cold War era.

The 2012 White Paper had mentioned India’s combined Army
exercises with PLA and increased anti-piracy coordination with India. Since the 2014 document is more succinct, the lack of details is understandable. However, the lack of even a mention of defence exchanges with India, or any other Asian country is remarkable.

Also ‘conspicuous by absence’ are the various facets of ‘transparency’ that the preceding Defence White Papers had addressed, ranging from China’s defence budget to its nuclear weapons policy of no-first use (NFU). Evidently, China has ‘arrived’ on the world stage with a single-minded preoccupation of how it could challenge the unipolar world order dominated by the U.S.

3 June 2015

Himanil Raina

The Security Environment

On 26 May 2015, China released its first ever White Paper focusing exclusively on military strategy. China’s economic rise propelled by an extensive growth strategy has caused its integration with the global economy. It has consequently developed expansive interests linking its fate with that of the global system, most notably its access to African and Persian Gulf resources. China’s transition from the ‘near coast defence’ maritime doctrine in the 1980’s (product of a maritime strategy that was seen only as an extension to the continental strategy) to the ‘near seas control’ doctrine till 2004 calling for China to exercise control up to the first island chain has mirrored China’s increasing integration in the global economy. The conferment of historical missions upon the Chinese Navy post 2004 required it to focus on the distant seas as well. That was symptomatic of the increased stakes China had in influencing the events in the maritime commons, and was a trend that has continued unabated. The document acknowledges this, noting that: “In the new circumstances, the national security issues facing China encompass far more subjects, extend over a greater range, and cover a longer time span than at any time in the country’s history. Internally and externally, the factors at play are more complex than ever before.”

Taiwan’s reunification and safeguarding its territorial claims in the ‘near seas’ remain important to China. However, the emphasis accorded to safeguarding of China’s overseas interests is notable, as observed in the section on National Security Overview which says: “With the growth of China’s national interests, its national security is more vulnerable to international and regional turmoil, terrorism, piracy, serious natural disasters and epidemics, and the
security of overseas interests concerning energy and resources, strategic sea lines of communication (SLOCs), as well as institutions, personnel and assets abroad, has become an imminent issue.”

A Blue Water Force

The most revealing part of the strategy indicating China’s aim to build a globe spanning blue water navy says: “...the PLA Navy (PLAN) will gradually shift its focus from “offshore waters defense” to the combination of “offshore waters defense” with “open seas protection,” and build a combined, multi-functional and efficient marine combat force structure.”

The section on force development goes on to say: “The seas and oceans bear on the enduring peace, lasting stability and sustainable development of China. The traditional mentality that land outweighs sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests. It is necessary for China to develop a modern maritime military force structure commensurate with its national security and development interests, safeguard its national sovereignty and maritime rights and interests, protect the security of strategic SLOCs and overseas interests, and participate in international maritime cooperation, so as to provide strategic support for building itself into a maritime power.”

Far Seas Operations

The strategic guideline of active defence is prescribed for the military with a focus on winning local wars in conditions of modern technology and informationisation (with the maritime military struggle aspect being highlighted).

In the section about Preparation for Military Struggle, however a reference is made to the need to strengthen strategic prepositioning. Limited logistical support severely constrains the PLAN’s ability to operate beyond East Asia; and in context of the Indian Ocean, this could be interpreted to refer to the strengthening of a Chinese policy popularly dubbed as the ‘String of Pearls’. Recent talks between China and Djibouti aimed at enhancing Chinese naval operations in the region is part of a Chinese effort to establish a variety of access points in the Indian Ocean Region in the upcoming years.

Further (as seen in the U.S. Office of Naval Intelligence 2015 Report on the PLAN) it is clear that the Chinese naval order of battle is undergoing qualitative improvements as legacy combatants are giving way to larger multi-mission
ships capable of undertaking a broader spectrum of missions. The PLAN’s involvement in diversified missions in the far seas is mirrored in both its acquisition patterns and far seas training patterns (as routine deployments in the Philippines, operations in the Mediterranean and increasing incursions in the Indian Ocean indicate).

**Looking to the Future**

China has enhanced overseas interests, is building a blue water fleet to conduct far seas operations and the Indian Ocean is slated to become an active area of operations for the PLAN. Should this set alarm bells ringing in India? The answer is that it’s too early to tell.

The Chinese fleet is currently optimized for anti-surface warfare and has made substantial investments and developments in advanced Anti-Ship Cruise Missiles and Over the Horizon Targeting systems in pursuit of the same. Proficient as it may be in Anti Surface Warfare and increasingly Anti Air Warfare (shipboard air defences having witnessed dramatic improvements of late) Anti-Submarine Warfare and power projection in contested environments remain weaknesses for China. Given PLAN’s priorities closer to home, the pace at which aircraft carriers, large deck amphibious ships (power projection tools) and its anti-submarine capabilities are bolstered will be indicating the priority PLAN places on being able to sustain far seas operations that can involve high intensity combat operations.

Just as important as adapting to these developments militarily though would be closely mirroring Chinese diplomatic approaches not just in the Indian Ocean region but within China’s backyard as well. Whether or not such an approach is considered feasible depends in large part on whether it is the pursuit of simply a reactive or a pro-active strategy that is being considered. Either way policy must be formulated keeping in mind the fact that China has growing global interests and this is occurring simultaneously with the loosening of its historic reticence for using its military forces in far seas operations.

1 June 2014
China-US ‘Grand Bargain’: India’s Future Stakes in Great Power Peace

Rana Divyank Chaudhary

The strategic imbalance in East Asia appears to be worsening due to the incidents of confrontation between China and the US, also involving regional countries. China’s re-emergence and resultant external behaviour poses a historic challenge to major power peace in East Asia and it is in the interests of the reigning superpower, the US, to uphold the status quo. The looming inevitability of violent conflict between the two great powers and its potentially devastating consequences for a still developing region, have also kept alive the search for lasting peace and stability. In the above milieu, the China-US ‘grand bargain’ has been mooted as an actionable strategy. There are persistent doubts regarding whether or not such a bargain is attainable, given the growing fragility of the East Asian security environment, and a lack of clarity on what compromises can be realistically pursued. Nonetheless, attempts have been made to provide answers to both the questions and it is fair to say that these have opened new avenues for debating the future course in Sino-American relations. The debate must also reflect upon the consequences of the grand bargain for interested and engaged states such as India.

India’s strategic interests are inextricably linked to shifts in the East Asian regional order. China is its largest neighbour, second largest trading partner, and a long-term competitor. India also seeks to deepen its bilateral ties with all major East Asian powers and is a stakeholder in the region’s multilateral institutions. In South Asia, India views China as a long-term challenger to its leadership in shaping the norms of interstate relations and regional cooperation, and as a destabilizing influence in the India-Pakistan conflict/security dyad. Further, China’s ambitious economic diplomacy and naval forays into the Indian Ocean Region (IOR) are seen as a new set of challenges appearing in
India’s maritime areas of interest and influence.

Since the beginning of Indo-US strategic cooperation in the post-Cold War period, the US has largely been a reassuring presence for India in the Indo-Pacific region. It has acknowledged India’s geopolitical importance and endorsed its global vision. The US leadership have also welcomed New Delhi’s partnership in maintaining order and providing public goods in the region. One of the key areas of correspondence between Indian and US interests has been the changing distribution of power favouring China and uncertainty over how Beijing would move forward with its rising prominence in the international system. A bargain struck between China and the US would open a new chapter in great power relations, one which would have a potentially transformative impact on India’s relations with both the states as also on relations with its immediate and extended neighbourhood. Arguably, a China-US grand bargain would also manifest in the form of significant challenges to India’s foreign policy, national security, and grand strategy.

An Unlikely ‘Détente’

Simply put, the grand bargain proponents argue that there might be certain areas, including territorial disputes and defence pacts, where both China and the US could exchange concessions without irreversibly jeopardizing their security, national interests, international commitments, and long-term economic objectives. A grand bargain thus reached, would simultaneously mollify the Chinese leadership’s fear that the US’s primacy in East Asia and its containment of China necessitates military struggle as well as ensure America’s role as the region’s security provider, guaranteeing freedom of access and engagement with its regional allies for an indefinite period.

A section of experts identify Taiwan and island disputes in the East and South China Seas as issues where a consequential bargain could be struck. Taiwan’s full political integration with the mainland is a high national priority for China. At the same time, the US remains committed to the Taiwan Relations Act (1979). It has been argued that improvement in cross-Straits relations in the future along with US limiting its arms sales to Taiwan would remove a major cause of China’s insecurity and pacify domestic political pressures. In return, China should either peacefully resolve all maritime disputes with neighbours in the China Seas or agree to concrete conflict prevention and joint cooperation frameworks to ultimately reach an equitable solution.
There might be similar possible scenarios wherein China and the US could come to a mutual agreement to suppress major irritants in their bilateral relations. Certainly, there are significant problems which might obstruct a probable bargain. The prevailing mutual suspicions and recurrent tensions make it extremely difficult to initiate a discussion on the issue in the domestic political arena, to communicate intentions bilaterally, or to anticipate the other side’s preparedness to negotiate. Nonetheless, those who support the case note that the existing conditions in the international system and world economy do not compel the two states toward unavoidable conflict.

The normalization of Sino-American diplomatic relations and deepening of economic and people-to-people ties have been viewed in the US as the most successful aspect of its strategy and ‘soft power’ in East Asia. For good measure, it is only now that the Chinese leadership has felt sufficiently self-assured to announce that relations with the great powers would not be the primary focus of China’s foreign policy as it considers its ties with the US to be ‘constructive’ and ‘sustainable’ in the foreseeable future. Significant constituencies exist within both China and the US which are vocal in the favour of friendly relations and peaceful resolution of problems despite hardliners on both sides pointing toward adversarial tendencies in the counterpart. Similarly, US allies – Australia, South Korea, and Singapore – tend to balance perceptions and consider the growing acrimony in Sino-American relations a destabilizing phenomenon for the Asia-Pacific region. Therefore, the idea of a tentative grand bargain, though conjectural, still appears to retain a considerable degree of desirability and feasibility.\(^4\)

**Hard Lessons from the Past**

Since the end of the Second World War and gaining independence, India’s interests and its position in the emergent international system have been closely linked with developments in the system’s structure and the vicissitudes of great power politics. This has reflected in India’s choice of non-alignment in foreign policy, a preference to be strategically closer to the former Soviet Union (USSR), and its efforts to revitalize ties with the US after the Cold War ended. Similarly, New Delhi’s relations with China have also witnessed the influence of larger international developments. In this historical context, the evolution of Sino-American strategic ties shaped India’s security environment and its relations with China in some critical areas. A brief recapitulation of the impact of rapprochement in the
1970s between China and the US on India's interests is relevant for laying out an outline of New Delhi's future stakes.

The Sino-American rapprochement was an outcome of sustained and highly secretive diplomacy that culminated in the normalization of relations between the two states. The process progressed through several critical terms of mutual accommodation and understanding. Of direct symbolic detriment to India's position on Third World non-alignment in the Cold War was China's split with the USSR and alignment with the US's anti-Soviet containment strategy. At the same time, China gained recognition in the United Nations and permanent membership in the United Nations Security Council (UNSC) at the cost of Taiwan's de-recognition as a sovereign entity. This happened just a decade after the border war between India and China (1962) and thus, appears in stark contrast to India's own rejection of the offers of UNSC permanent membership in the 1950s over principles of solidarity with China.5

Pakistan played the role of the back-channel between China and the US during the rapprochement phase. This not only gained US endorsement for the Sino-Pakistan security relationship but also cemented Islamabad's place in America's strategic calculus for the region. So far, the US had been relatively conscious of its interests in India's security or had at least maintained ambivalence in South Asia. Subsequently, it viewed Pakistan as the primary South Asian ally in the Cold War and that manifested in their cooperation in fighting against the Soviets in Afghanistan. This was the origin of militant Islamic fundamentalism in Pakistan and its direct fallout in Kashmir. Adding further complications to India's security were the US's continuous arms sales to Pakistan and reluctance at the highest levels to act against China's proliferation of nuclear weapons technology to Islamabad.6 These developments led to deep distrust and 'estrangement' in Indo-US diplomatic relationship, greatly intensifying criticisms of US foreign policy within Indian politics and society which persist even until today.

Some Considerations for the Future

Viewing the origins of India's prolonged external security problems through the prism of Sino-American rapprochement and China's subsequent actions in South Asia, leads to questioning New Delhi's prospects if a grand bargain is struck in the near future. The core areas of interest for India will be: (a) China's new place in the East Asian order; (b) China's future presence and role in the IOR; (c) China in South Asia – Pakistan and
Afghanistan, in particular; (d) the future of India's strategic partnerships in East Asia and shifting emphases and possible strains in the Indo-US ties and their joint vision for the Asia-Pacific; and (e) impact on existing norms, legal principles, and international institutions.

Firstly, a lasting accommodation of China by the US will inevitably be based on exchanges and concessions as has occurred in the past. From India's point of view, far more consequential than China's gains would be the concessions made by the US. India has persevered over the last decade to carve a foothold in the Asia-Pacific and its position there is largely reassured because of US pre-eminence and stabilizing role. Even if a bargain does not immediately threaten US allies, which it is bound to appear as in many quarters, it can also not preclude China's rise in terms of military and economic weight. India's own rise, by intent and imperatives, will keep it pitted as China's competitor in the long-term and the attendant challenges to Indian foreign policy are liable to remain unmitigated.

Secondly, an accommodative stance will also be staked on the US assuming a non-threatening posture vis-a-vis the PLA Navy's (PLAN) movements in international waters far beyond its shores. Although it may begin to take shape in the form of maritime cooperation between the US and the PLAN in the IOR, it will also boost China's long-term plans of re-emerging as a great maritime power capable of transoceanic presence. This is likely to increase pressures on the Indian political and maritime security establishment to retain its 'home advantage' in the Indian Ocean. In view of the lack of confidence between India and China on outstanding issues of security, Sino-Indian naval rivalry will only intensify.

Thirdly, with further rise in its stature, China's military assistance and other aid to Pakistan are likely to continue if not expand further. Unless Pakistan demonstrates that foreign aid is being used to resolve its domestic economic challenges and improve social welfare/human security or international pressures prevail on Islamabad to make it do so, India's problems on the western front are going to remain unaddressed. Further, with a complete withdrawal of the US and its NATO allies from Afghanistan in the future, both China and Pakistan can expect to gain greater presence in the country. The accompanying developments will present both old and new challenges to Indian interests in Afghanistan's stability and in Kabul's friendly disposition towards New Delhi.
Fourthly, a fundamental change in the tone of Sino-American relations will cast new considerations for India’s strategic relationships with South Korea, Japan, Vietnam, Australia and so on. Some US allies may not welcome a change in status quo, and New Delhi’s relations with these states may strengthen depending on commonalities of perception with regard to China’s external objectives and actions. But, India could also face constraints in its ties with those who would perceive the change as favourable and durable. There could be a substantial shift in the Indo-US strategic partnership since a bargain with China will not happen in the absence of solid political conviction within the US to pursue it. It would erode mutual confidence between India and the US and undermine the partnership’s rationale unless a parallel effort is mounted by the US to strengthen India’s security and to maintain an Asian balance of power.

Lastly, a China-US grand bargain will have the potential to recast the norms of regional security, international legal principles, and bring its own influences on international and regional institutions. Asian security would depend even more on China’s intentions and actions in a post-bargain scenario and the fail-safe measures likely to supplant American security guarantees and commitments would be tested before long. India will not achieve greater security if dispute resolution on China’s part does not include steps to settle its borders with New Delhi as well. That is likely to allow China to keep selectively arguing its case in some disputes and violate legal principles in others.

In conclusion, a China-US grand bargain does not bode well for India primarily because it would have little effect on resolving India’s long-standing problems and could even threaten to aggravate them. It is also not to be denied that India has natural interests in great power peace, especially, one that engenders greater stability in inter-state relations and prevents major conflict in the region. Therefore, India’s official response is likely to be favourable. However, early emphasis must be put on strengthening India’s security and prepare its foreign policy to be able to tackle the challenges emerging from a new great power peace.

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NOTES


4 For recent literature, see Lyle Goldstein, Meeting China Halfway: How to Defuse the Emerging U.S.-China Rivalry, Georgetown University Press (2015).


Three recent developments in the realm of China-Africa relations merit attention. First, the ‘Vision and Action Plan on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road’ \(^1\), released in March 2015 by National Development and Reform Commission of People’s Republic of China (PRC), for the first time, confirmed Africa’s role in the Chinese flagship ‘One Belt One Road’ initiative (OBOR). Second, after carrying out the successful Yemen evacuation mission via Djibouti, China not only declared ‘the birth of its truly global Chinese Navy’ \(^2\), but also announced in its 2014 Defence White Paper \(^3\) that ‘offshore waters defence and open seas protection’ (i.e. protection of China’s overseas interests, such as supply of energy and resources, strategic sea lanes, assets/investments as well as overseas population) will now be the key focus of PLA Navy (PLAN). Third, amidst rising tension with the U.S. and its other neighbours in the South China Sea over reclamation of islands issue, there were reports of China having talks with the Republic of Djibouti to establish a military base in that country \(^4\).

Although Africa’s role in the first two cases has generated limited response, the third development has conspicuously raised eyebrows worldwide. It further fanned the already prevalent speculation \(^5\) over China’s prospective overseas military base, which has been doing round among the strategic community since the development of the theory of ‘string of pearls’ in 2005. In December 2011, media reports surfaced about China building its first military base at Seychelles; then in March 2013, when Chinese president Xi Jinping visited Tanzania and signed a US$10 billion deal to develop a port near the capital Dar-es-Salaam, the debate over Chinese military base in East Africa received fresh impetus. Last year, the Namibian Times stirred up fresh controversy when it reported on China’s plan to build 18 military naval bases (including one at
Walvis Bay, Namibia). Later that year, the deployment of Chinese submarine in the Indian Ocean for an anti-piracy mission displayed China’s growing maritime ambitions in the Indian Ocean Region (IOR). However, in all these cases the Chinese government was prompt to deny reports and reiterated its peaceful posture. However, this time, in a marked difference from its earlier stands, China neither confirmed nor denied the overseas base report, which is mostly perceived as a subtle affirmation from the Chinese.

Some scholars interpreted this development as the first explicit sign of China exerting its military muscle, its ‘peaceful rise’ façade lying in tatters, and as has been always feared, China is finally “showing its claws”⁶. They argued that China’s maritime strategy or its proposals of reviving historic Silk Roads might not be purely economic in nature, rather it is designed to disguise military bases across the South China Sea and the Indian Ocean, all the way to Africa. Others, however, defended that a military base does not necessarily mean Beijing is all set to challenge the regional security heavy-weights, rather it is a part of its geo-economic strategy aimed at protecting its own overseas commercial interests and its overseas population while also contributing for global public good⁷.

Whatever be the case, these developments taken together, do indicate an evolving trend -- that of Africa’s rising strategic significance in Chinese strategic calculus.

Pre-eminence of Economics

China-Africa relationship is mostly analysed from the economic prism. China has been Africa's largest trading partner for more than five consecutive years now and the bilateral trade has exceeded U.S. $ 200 billion, which is also pegged to reach the U.S. $ 400 billion mark by 2020⁸. China is one of the key investors in Africa whose cumulative investment exceeds $ 70 billion⁹ in certain estimates and accounts for 16.3 percent of Africa’s total trade¹⁰. China is also one of the biggest humanitarian aid provider to the African nations. From 2010 to 2012, 51.8 percent of its total 89.34 billion yuan provided in humanitarian assistance went to the continent¹¹. As a part of its investment and development assistance, China claims to have completed 1,046 projects in Africa, built 2,233 km of railways and 3,530 km of roads.¹² The proposed 1,402 kms coastal railway in Nigeria (China’s largest overseas project so far), the ongoing Mombasa-Nairobi railway in Kenya and the Addis Ababa-Djibouti rail projects in East Africa are some of its high profile investments in the continent¹³. In return, Africa caters
to China's mounting energy needs and requirements for new markets. The continent is China's second largest source of crude oil, making for 23 per cent of China’s crude import. Clearly, the transactional nature of China-Africa relationship has gained considerable prominence and has invited global attention.

China too has played an important role in creating this cliché of ‘economics being the be all and end all of China-Africa ties’. Some Chinese scholars project the idea that China's Africa policy is not free from flaws and more often than not, “its commercial interests overtake and even undercut its other national interests”. They argue that in spite of the growing trade between the two sides, Africa actually forms a very small part of China's overall foreign trade (2.2 per cent of its overall outbound foreign direct investment (OFDI) in 2011). Since several African nations enjoy good relations with China and do not have any major dispute or conflict of interest with the Chinese counterpart, the continent “figures relatively low in Chinese foreign policy priorities”. As a result, China fundamentally lacks a comprehensive Africa strategy and is often sporadically driven by narrow commercial interests.

However, the counter-argument in this context is that Africa is right at the centre of China's geo-economics driven foreign policy, and China is one of the most serious players in Africa with the ultimate objective of strengthening its foothold in the continent. In that case it appears that China has tactically hyped up the economic and other softer aspects of China-Africa relations while playing down the strategic/military part, given the global outcry in earlier years over China’s supply of weapons to pariah states in the continent like Sudan and Zimbabwe, and Chinese weapons being used by non-state actors while committing heinous crimes against humanity. Accordingly, no foreign visits by Chinese or African leaders or foreign ministers in recent past, not even the forum for Africa-China cooperation which is portrayed as the cornerstone of the China-Africa relations ever mention about existing/growing strategic/military relations between Africa and China.

Underlying Rationale

History is witness that almost all external powers who vied for Africa’s mineral wealth to support their own industrial growth, had to back up their economic engagements with military might, either to suppress local resistance or to drive away imperialist competitors. Scholars argue that China is merely following the footsteps of its predecessors. They say that today China has reached a stage of
economic development, which requires relentless supplies of African raw materials. But competition from other players and lack of political stability in the continent render the Chinese insecure and vulnerable, which in turn, is leading to the increasing presence of the People’s Liberation Army (PLA) in Africa.

The first and most important reason behind China’s intensifying security ties with the African nations is the serious security threats faced by Chinese nationals and Chinese investments in the continent. As is well known, Chinese mining activities have often fallen victim to endemic instability and violence in partner states. Since 2004, several Chinese companies have ended up at the centre of internal conflicts; violent protests, revoking of contracts on charges of corruption, nepotism, attacks on oil industry targets, kidnapping, killing of Chinese workers, racial riots, have been a common phenomenon. Given the security threat to Chinese investment and assets abroad, a section of Chinese scholars have urged the government not to push overseas investments blindly and provide local awareness to Chinese companies.

On the other hand, China’s interest of safeguarding its own investments and people in the continent converges well with the interest of several African nations who expect and insist on receiving security assistance from the Chinese side in maintaining peace and stability in the continent. For instance, Chad in 2007 and Ethiopia in 2006 had urged Chinese government’s involvement to get involved in African internal politics and pressurise governments like Sudan or Somalia, which are believed to be close to China, to end violence and maintain stability. Also, many African governments look up to China for supply of military equipment, weapons, and training. While some seek Chinese assistance to supplement what they acquire from the Western world and other key partners, others (on whom the West has imposed sanctions) have little option but to rest heavily on Chinese military supply.

The third reason is China’s growing concern over other major powers’ renewed thrust on the continent. The U.S. which has the biggest presence in Africa as compared to others, established the Africa Command (AFRICOM), in 2006, and increased its military presence from 220 personnel to nearly 1,000 between 2000-2006. AFRICOM officially maintains 2,000 military and civilian personnel in about 38 African countries, although the number often
surges to 5,000 or more during certain operations and training missions\textsuperscript{24}. To further build on President Obama’s commitment to Africa during his trip in the summer of 2013, the U.S. organized the first-ever U.S.-Africa Leaders’ Summit last year and reiterated its renewed focus on the continent\textsuperscript{25}. Not only the U.S., other countries too have lately shown interest in renewing their ties with the African leaders. The EU-Africa Summit in Brussels in April 2014\textsuperscript{26} is yet another example. India too intended to organize the third India-Africa Summit in 2014 but the programme had to be postponed due to the Ebola outbreak in West Africa\textsuperscript{27} and has been rescheduled for October 2015.

Lastly, China is well aware of its own shortcomings vis-à-vis its potential competitors in the Indian Ocean Region (IOR), which it defines as a part of its geostrategic frontiers. As has been noted by scholars\textsuperscript{28}, being a predominantly export-led economy, China is overly dependent on the IOR for supply and transit of natural resources. However, geographically it is severely constrained to have direct access to the Indian Ocean. Making matters worse, the PLA Navy does not have sufficient experience and capability to undertake sustained operation in the region. As a result, warming up strategic ties with Indian Ocean littorals and along the African coast appears to be one of the top most priorities for the Chinese.

**A Different Approach**

Given the lack of transparency, the extent of China-Africa military tie remains difficult to ascertain. However, existing literature highlight that China’s bilateral military relations with Africa remains modest, as compared to its military engagement with other nations. In fact, increasing number of Chinese trade officers posted in African countries far outweigh its military presence in the continent. China does provide military aid to particular African nations, but not necessarily they are driven by a coherent strategy aimed at protecting its security interests. Deployment of troops, training friendly armed forces etc. are also not of alarming magnitude\textsuperscript{29}.

However, it is not the hard military presence that has been notably intensified; rather China’s changed stand is more pronounced in the realm of soft military presence in Africa. Under the banner of peace and development, the non-military functions of the PLA Navy have expanded manifold. Anti-piracy operations, relief and rescue, naval diplomacy- all have become important functions of the PLA Navy in recent years. “Building up soft military control in distant places and establishing
logistical supporting sites are currently the top priorities of Chinese military diplomacy”, notes some government funded think tanks in China30. China’s soft military presence in Africa can be broadly classified under three categories.

**PLA Navy's Anti-Piracy Mission**

Since 2008, Chinese taskforces have maintained a good record in anti-piracy missions, dispatched 20 naval escort fleets to the Gulf of Aden and the Somali waters. It has carried out escort missions for more than 5,800 merchant ships in 798 batches in the Gulf of Aden and in the waters along the Somali coast31. It also played an active role in important global emergencies such as the evacuation of Chinese personnel in Libya, providing maritime escort for foreign ships and ships for the World Food Programme, and for transportation of Syrian chemical weapons, in addition to the recent Yemen evacuation32. In 2014, the PLA Navy took its first round tour of Africa and made maiden port calls in Tunisia, Senegal, Cote d’Ivoire, Nigeria, Cameroon, Angola, Namibia33.

**Chinese Peacekeeping Forces in Africa**

From dispatching just five military observers for UN peacekeeping operation in 1990, China is now the largest contributor to the UN peacekeeping missions among the five permanent members of the UN Security Council with around 2,720 peacekeepers, deployed at different peacekeeping missions. In Africa, it has dispatched peacekeepers in various countries like Burundi, Côte d’Ivoire, DRC, Ethiopia, Eritrea, Liberia, Mozambique, Sierra Leone, Sudan and Western Sahara.

As per available literature, of the total number of Chinese peacekeepers deployed worldwide, a majority (around 1,622) is in Africa34.

Also, until recently, Chinese contribution to the UN Missions largely constituted ‘non-combatant’ peacekeepers such as military observers, civilian police or infrastructure, medical, logistical or transport support teams. However, in 2014, China, for the first time, sent a 700-strong organic infantry battalion for peacekeeping mission in South Sudan35.

**PLA Navy’s Overseas Access Facilities**

Partly due to compulsions of naval force sustenance during anti-piracy missions, and also to hedge its interests in a crisis situation36, PLAN intends to build up several “technical service halts” or replenishment facilities, if not elaborate military bases, in Africa and the Gulf region. These halts, according to some Chinese scholars, are likely to
be categorized into three types. The first kind is meant for fuel and material resupply, which is expected to be located in the ports of Djibouti, Aden, Jeddah, and Salalah. Others are meant for short term berthing and fixed-wing reconnaissance aircraft take-off and landing, likely to be located in Seychelles. The third kind is based on long-term agreement with the host nation and is meant for a complete recharge/ rest of weaponry and providing access to large ship repair centres. Pakistan is presumed to be the ideal place for such a stop.37.

Conclusion

From the above discussion, it is evident that despite the rising strategic importance of Africa, China, so far, has not attempted to safeguard its interest in the continent by projecting hard military power. Instead, it has preferred intensifying its soft military influence over the continent by joining collective security mechanisms within the framework of the UN and African regional organisations. However, given its growing economic/ military capability and rising global stature, there lies a real possibility that in future China may be tempted to abandon its collective security strategy in Africa and pursue a more unilaterally driven assertive security policy marked by “polito-military interventions” and “military coercions”. It is also not guaranteed that China will not use its growing “soft control” on the continent for military mapping and intelligence gathering against nations, which it considers to be its adversaries.

However, any such unilaterally driven stringent security policy will upset the prevailing power equilibrium and will draw China into yet another round of animosity with the traditional powers of the region. It is unlikely that China, which is already at the centre of an international embroilment in the Western Pacific, will like to pick yet another fight in the region which it considers to be not just its extended neighbourhood but also the lifeline for its economy. On the other hand, its cooperative security strategy, based on amity and cooperation, has served it well, not just in securing the safety of its long supply lines, but also in creating much goodwill and favourable image for China within the international community. It will be interesting to see how Beijing weighs the situation in Africa in the future.

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Notes


12 ‘The West’s green eyes on China-Africa win-win cooperation’, China Daily (Xinhua), January


17 Yun Sun, Africa in China’s Foreign Policy, page 2, Note 15.


37 Degang Sun, ‘China’s Soft Military Presence in the Middle East’, Note 20.
During the Naval Commanders Conference held in New Delhi on 26 October 2015, the Indian Defence Minister Shri Manohar Parrikar released India’s revised maritime-military strategy titled, ‘Ensuring Secure Seas: Indian Maritime Security Strategy’ (IMSS-2015). It supersedes the 2007 strategy document titled, ‘Freedom to Use the Seas: India’s Maritime-Military Strategy (IMMS-2007). This essay seeks to examine the salient features of the new strategy, including in comparison to IMMS-2007.

IMSS-2015 is the first strategy document released by the Indian Navy since the November 2008 terrorist attack in Mumbai (26/11), when jihadi operatives well-versed in nautical skills used the sea route from Karachi to Mumbai, and carried out dastardly cold-blooded killings in India’s ‘financial capital’. In wake of 26/11, the Indian government designated the Indian Navy as the nodal authority responsible for overall maritime security, including coastal and offshore security. The new strategy reflects the overwhelming imperative for the Navy to counter state-sponsored terrorism that may manifest in the maritime domain, and prevent a repeat of 26/11. It also addresses India’s response to other forms of non-traditional threats emanating ‘at’ and ‘from’ the sea that pose security challenges to ‘territorial’ India and its vital interests.

While 26/11 may have been among the major ‘triggers’ for India to review its maritime-military strategy, IMSS-2015 clearly indicates that proxy war through terrorism has not prevented India to adopt an outward-looking approach to maritime security. The new strategy dilates the geographical scope of India’s maritime focus. Ever since the Navy first doctrinal articulation in 2004—the Indian Maritime doctrine, 2004, which
was revised in 2009—India’s areas of maritime interest have been contained within the Indo-Pacific region, with the ‘primary area’ broadly encompassing the northern Indian Ocean Region (IOR). IMSS-2015 expands the areas of interest southwards and westwards by bringing in the South-West Indian Ocean and Red Sea within its ‘primary area’; and the western Coast of Africa, the Mediterranean Sea and “other areas of national interest based on considerations of Indian diaspora, overseas investments and political reasons” within its ‘secondary area’ of interest.

Notably, although IMSS-2015 is merely an expression of intent of the Indian Navy to engage with the countries and shape the maritime environment in these areas, the Navy’s multi-vectored and expanding footprint in recent years through the overseas deployments clearly indicates that the maritime force is developing the capabilities to implement the intent.

Within the IOR, IMSS-2015 maintains that the International Shipping Lanes (ISL) and the maritime choke-points constitute the primary area of India’s interest. However, unlike IMMS-2007, the new strategy includes the Mozambique Channel and Ombai-Wetar Straits in its classification of choke-points, thereby inter alia highlighting the embayed nature of the Indian Ocean, and implicitly implying its geo-strategic ‘exclusivity’ for India.

IMSS-2015 also clarifies its intent to be a ‘net security provider’ in these areas of interest. The concept of ‘net security’ has hitherto been ambiguous and subject to varied interpretations. It is, therefore, refreshing to note that the document defines the concept as “…the state of actual security available in an area, upon balancing prevailing threats, inherent risks and rising challenges in the maritime environment, against the ability to monitor, contain and counter all of these”. In the process, India’s role in this context also stands clarified. India seeks a role as a ‘net security provider’ in the region, rather than being a ‘net provider of security’ as a regional ‘policeman’.

IMSS-2015 also expounds on India’s strategy for deterrence and response against conventional military threats and the attendant capability development, sufficiently enough for an unclassified document. In doing so, it may be inferred that the concept of ‘maritime security’—at least in the Indian context—operates across the entire spectrum of conflict. The new strategy attributes this to the “blurring of traditional and non-traditional threats…” (in terms of their) sources,
types and intensity…(necessitating) a seamless and holistic approach towards maritime security.” Notably, in contrast, for the established naval powers of the ‘western hemisphere’, the usage of the concept of ‘maritime security’ is limited to ensuring security at sea against non-traditional threats, including those posed by non-State actors.

Although the epithet of India’s maritime-military strategy has changed from “Freedom to Use the Seas” (IMMS-2007) to “Ensuring Secure Seas” (IMSS-2015), ‘freedom of seas’ for national purposes remains inter alia a key objective of the current strategy, which is sought to be achieved through the attainment of a more ‘encompassing’ end-state of ‘secure seas’.

India’s role as a ‘net maritime security provider’ in the region is not only its normative responsibility as a regional power, but is also closely interwoven with the nation’s own economic growth and prosperity. The ‘roadmap’ in IMSS-2015 provides a direction to the Navy to play this role as an effective instrument of the nation’s proactive foreign policy, in consonance with the ongoing endeavour of its apex political leadership, and echoes the enunciation of Prime Minister Narendra Modi’s vision of “SAGAR” (Security and Growth for All in the Region). However, it remains to be seen how India’s navy would effectively balance the rather conflicting national security priorities of ensuring territorial defence across its oceanic frontiers versus providing ‘net maritime security’ in its regional neighbourhood.
In mid-September 2015, Australia and India held their first-ever bilateral naval exercise, AUSINDEX-2015. The week-long exercise was held in the Bay of Bengal, and involved five warships, an Australian submarine and two long-range anti-submarine aircraft (Australian P3C and Indian P8I). A “pronounced emphasis” of the exercise was on anti-submarine warfare (ASW). Beyond merely being ‘just another combined exercise’, it bears a far-reaching import, and highlights Australia’s national-strategic reorientation in recent years.

**Traditional Approach**

Until a few years ago, it was commonly said that ‘Australia and India are divided by the Indian Ocean’, which had an element of truth. Traditionally, Australia’s national security strategy has been characterised by a combination of a ‘maritime citadel’ and ‘Pacific-oriented’ approach. The former is best exemplified by Australia’s promulgation of a 1,000 nautical-mile ‘Maritime Identification Zone’ (MIZ) in 2004. While such an approach was considered necessary for Canberra to counter the seaward incursions by foreigners, it led to a perception of Australia’s ‘exclusivity’.

The Pacific-oriented prong of Australia’s approach entailed its strategic focus towards the southwest Pacific, where the island countries have been prone to political instability. Such instability could spill-over into Australia in various forms, thereby impinging on its national security. Notably, most of Australia’s developed cities lie on the eastern side facing the southwest Pacific, making it highly vulnerable to destabilising events in its eastern maritime neighbourhood.

Australian defence forces have often contributed to coalition operations in the western end of the Indian Ocean, such as in Afghanistan and the Gulf of Aden (counter-piracy). However, these were driven by Australia’s need to fulfil its alliance and international commitments, rather than being ‘directly’ linked to its security interests.
Outwards and Eastwards

In the past, Australia’s traditional approach may have been adequate to secure its national security interests. However, Canberra seems to have realised that the emerging regional environment has made it unviable in present times. An inward-looking strategic orientation has also been unhelpful for Australia to develop multifaceted engagements with the Asian countries, including in terms of responding to the vulnerabilities of the maritime realm and strengthening trade ties. In particular, Australia needs to expand its maritime security perimeter to be able to achieve situational awareness in distant waters, besides ‘influencing’ and ‘managing’ developments therein.

For Australia, whose strategic orientation has traditionally been encapsulated in the concept of Asia-Pacific, its re-orientation towards the Indian Ocean is relatively recent, and is evidenced in the conceptualisation of the “Indo-Pacific” region in its National Security Strategy (January 2013) and Defence White Paper (May 2013). Although the term ‘Indo-Pacific’ as often appeared as a geographic entity in the lexicon of Australian policymakers and analysts in the past, its formal articulation as a “new strategic construct” appears for the first time in these documents of 2013.

Where India Fits In?

Notwithstanding its sensitivities stroked by the Indian nuclear tests of 1998, Australia could not keep itself estranged from India for long. Naval cooperation was a natural choice to begin the engagement; in 2003, Australia began its participation in the Indian Navy’s biennial Milan (congregation) of regional navies at Port Blair. It also participated in the five-nation Malabar-2007 exercise in the Bay of Bengal, which caused worries in China. In the following years, India sent observers to the Australia-hosted Dugong (2009) and Kakadu (2010) naval exercises.

Australia’s quest to involve India in its growing maritime engagement with the Indian Ocean countries is clearly discernible. These include Australia’s increasing involvement in the emerging discourse on maritime security under the aegis of the ‘Indian Ocean Rim Association’ (IORA) and the ‘Indian Ocean Naval Symposium’ (IONS), and the Track 1.5 Australia-India-Indonesia trilateral dialogue on the Indian Ocean (TDIO).

Australia and India have already established an information-sharing mechanism on ‘white shipping’. By contributing to Maritime Domain Awareness (MDA) and Search and
Rescue (SAR), India could mitigate Australia’s primary concern of illegal immigration across the Indian Ocean. Although Canberra has been troubled since long by migrants from Southeast Asia, in more recent times, Sri Lankan Tamils and Rohingyas have also been trying to migrate to Australia in large numbers.

The China Factor

Undeniably, Australia is seeking partners in the Indo-Pacific region to ride the crest of ‘rising Asia’. The salience of China is an economic powerhouse of the world is not lost to Australia. Hence, notwithstanding its alliance with the United States and its wariness about the rapid growth and disposition of China’s military power, relations with Beijing will be important to Australia.

Nevertheless, it is instructive to note that Australia’s 2013 National Security Strategy calls China “our key economic partner”, whereas it calls India “our Strategic Partner”. The essence is that as Australia develops its economic ties with China, it needs India and other regional powers and as a hedge against possible scenarios involving China that could be inimical to its national security interests. Ostensibly, the need to build strategic deterrence against China is a major driver for Australia’s keenness to join the Malabar-2015 naval exercise involving India, Japan and the US.

Indian Perspective

The PLA Navy’s submarine visits to Colombo (September-October 2014) and Karachi (March-May 2015) are likely to increase in future, and involve nuclear submarines. Neither Canberra nor New Delhi draws comfort from unannounced forays of such stealth platforms in their maritime zones. For India, a partnership with Australia could check China’s possible politico-military assertiveness in the Indian Ocean.

Notwithstanding, New Delhi will need to be cautious in any partnership with Canberra involving other major powers, so as not to send misleading signals to Beijing, for instance, on the prospects of ‘Asian-NATO’ that emerged during Malabar 2007. For Delhi, therefore, the biennial AUSINDEX was a deft move to engage with Australia bilaterally, rather than under the multi-nation format of Malabar.

While AUSINDEX-2015 as a seminal event does not by itself herald the evolution of Australia’s strategic reorientation, it does portent to be a bellwether for its enhanced maritime security cooperation with India. Possibly, in the coming years, the Indian Ocean will be more of a ‘bridge’ rather than a ‘barrier’ between Australia and India.

12 October 2015
Reassertion of India–US–Japan–Australia Quadrilateral

Dinesh Yadav

During his visit to India in early September 2015, the Australian Defence Minister, Kevin Andrews acknowledged India's critical role in supporting security, stability and prosperity of the Indian Ocean Region. He also stressed that there exists a larger scope for enhanced cooperation on global issues with India as a strategic partner.

The Defence Minister also made a renewed pitch for quadrilateral naval exercises with Japan and the US, as was done in 2007. It is important to recall that a similar suggestion was made earlier by Robert Scher, the Assistant Secretary of Defense for the Office of Strategy, Plans and Capabilities, in July 2015, stating that the US and India should consider permanently expanding the MALABAR exercise. This would be an important demonstration of Washington and New Delhi working together on maritime security in the Indian Ocean.

The suggestion, earlier by the US, and now by Australia, have been timed well as both the nations are concerned about the forays by the PLA Navy into the Indian Ocean, an apprehension equally shared by India as well. India and Australia are scheduled to hold their first-ever joint maritime exercise, AUSINDEX, off the Indian East coast in mid-September 2015, in which the Royal Australian Navy (RAN) is likely to be represented by an anti-submarine reconnaissance aircraft, a Collins-class submarine, a tanker, and a frigate. The AUSINDEX will be followed by MALABAR (US, India and Japan) in mid-October 2015 and JIMEX (India, Japan), tentatively scheduled in end 2015.

With prospects of the US, India, Japan and Australia participating in MALABAR in near future, the likelihood of the emergence of the US-India-Japan-Australia Quadrilateral Security Dialogue (QSD) has again come to the forefront. The QSD, an informal strategic dialogue among the four countries, was established in 2007.
The dialogue was also paralleled by joint military exercises of an unprecedented scale, Malabar 2007, with participation by all the member countries and Singapore. The diplomatic and military arrangement was widely perceived as ‘signaling’ to an assertive China, to which Beijing responded by issuing démarche to the four countries. Subsequently, in 2008, the QSD ceased with the withdrawal of Australia during Kevin Rudd’s tenure as the Prime Minister, owing to concerns about Beijing’s reactions. Since then, Australia has not participated in MALABAR, whereas Japan has participated in 2009 and 2014 and is again scheduled to participate in October 2015.

In June 2015, diplomats from Australia, Japan and India met in New Delhi to explore cooperative engagement and address shared regional challenges. The meeting formalized amid the common interests in preserving a peaceful and stable regional order and avoiding a ‘Pax Sinica’. Maritime security, in the backdrop of Chinese assertive maneuvers in the South China Sea and increased forays into the Indian Ocean, was at the top of the agenda. It is, therefore, not surprising that the cooperative engagement in June 2015 is now being followed up by a series of bilateral/ trilateral exercises such as the AUSINDEX, MALABAR and JIMEX in next few months.

The United States, on the other hand, remains the sole superpower, and the most influential extra regional power in Asia. With its unprecedented military presence in the region and recent ‘pivot to Asia’, makes the US even more closely involved with the two Asian giants and other regional powers. Any security calculus in Asia, without the US, therefore, would remain an oxymoron. The US remains actively engaged with India, Australia and Japan, and shares common values of democracy, freedom, freedom of navigation and the rule of law. It also shares the common concerns over China’s military build-up, non-conformance to international law and norms, and increasingly assertive attempts to unilaterally force a shift in the regional status quo.

The recent suggestion by the US, followed by Australia, for an expanded participation in MALABAR, appears to be a move towards the return of the Quadrilateral Arrangement to supplement the regional security architecture in the Indo-Pacific region. The enhanced trilateral engagement between India, Japan and Australia would, therefore, provide a sound groundwork for a return to the QSD in the near future.

However, among the three countries envisioned to be involved with the US in the QSD, India might have reservations
as it would continue to zealously protect its ability to forge an independent foreign policy. Also, risks and benefits involved in a Dialogue, which Beijing might consider as inimical to its interest, would be totally different for India and Japan than for the US and Australia.

Today’s China is a lot different from what it was in 2006-2007. At that time it was witnessing an unprecedented double digit growth for over more than two decades. Also, post extended period of isolation, China was still evolving in the global affairs. It was also pursuing an aggressive foreign policy, and in the process, alienated most states in its periphery. Even the dividends of its erstwhile successful ‘Chequebook diplomacy’ in Southeast Asia waned, as most of the ASEAN nations tilted towards the US, in the backdrop of aggressive Chinese maneuvers in the South China Sea. Consequently, China, in 2006-2007, fervently opposed any bilateral cooperation/ maritime exercise involving the US, India, Japan or Australia in the Indo-Pacific region, let alone a multilateral MALABAR of 2007.

Beijing has apparently drawn lessons; it is more confident and is exhibiting a mature foreign policy and decision making. Also, the recent economic slowdown has burst the ‘interminable China growth’ myth, and China is now expected to factor the economic consequences whilst pursuing its foreign policy. Beijing, therefore, is likely to pursue a relatively more ‘settled’ diplomacy, than the past decade. The fact that Beijing hardly raised any concerns over participation of Japan in MALABAR of 2014 and 2015 is a testament to the assumption. Also, there have not been any worthwhile reactions from China on the US and Australian suggestions at expanding the scope of MALABAR in future.

It would, therefore, be fair to argue that MALABAR 2016 could involve Japan, Australia and possibly Singapore. Also, the QSD, involving the US, India, Japan and Australia, may re-assert in the near future.

21 October 2015
The Maritime ‘Rise’ of Indonesia: Indicators, Intentions and Inferences

Gurpreet S Khurana

In October 2014, while taking oath as Indonesia’s seventh President, Joko Widodo (popularly referred to as “Jokowi”) called upon his nation “to work as hard as possible to turn Indonesia into a maritime nation...”.\(^1\) A month later, during the East Asia summit, he recalled his vision of Indonesia being a “global maritime axis” (poros maritim dunia), postulating that concurrent to the ‘rise’ of Asia, the sea would assume immense salience for his country. He envisioned Jakarta’s pivotal role in shaping security in “the Pacific and Indian Ocean (maritime) region (PACINDO)”, popularly known as the ‘Indo-Pacific’ region. He said, “We want the Indian Ocean and the Pacific Ocean to remain peaceful and safe for world trade, not used as a platform for the seizure of natural resources, territorial disputes or maritime supremacy”.\(^2\)

The President also announced a roadmap for Indonesia through its new Maritime Doctrine. The national-strategic level Doctrine encompassed five key components: rebuilding Indonesia’s maritime culture, harnessing marine resources, enhancement of economic connectivity through development of maritime infrastructure, cooperation through maritime diplomacy, and capacity building of maritime security forces.\(^3\)

Amidst the global focus on China’s ‘maritime rise’ and Beijing’s recent maritime initiatives, the recent political articulations by Indonesia and consequent developments have not yet attracted the attention these deserve. Assuming that Indonesia’s current trajectory on ‘matters maritime’ is maintained, it would not take too long for the country to become a major maritime power in the Indo-Pacific region.

This issue brief seeks to examine the key developments indicating Indonesia’s increased emphasis on bolstering its maritime-power. It also undertakes
an assessment of Jakarta’s rationale and intent behind such emphasis, and deduces the salient takeaways for India.

**Economic Connectivity**

Indonesia is the largest archipelagic state comprising 17,508 islands. It is geographically located at the cross-roads of maritime commerce in ‘rising’ Asia. However, many of the widely dispersed islands of the archipelago lie isolated due to lack of economic linkages and travel connectivity. These insular areas cannot contribute to national production and distribution chain, and thereby to overall national output. Hence, Indonesia’s geographic location and geo-strategic configuration has not yet been optimally harnessed.

This realization in Jakarta has led to recent measures to enhance inter-island connectivity and upgrade port infrastructure across the archipelago. Indonesia plans to build 24 seaports and import up to 2,500 boats as part of the plan to bolster inter-island trade and travel connectivity, which could lead to development of Indonesia’s far-flung island provinces. To generate the necessary finances for developing maritime infrastructure, Indonesia has begun encouraging foreign investments. For instance, in December 2014, Singapore’s PSA International and Japanese companies decided to partner with an Indonesia port operator to build and operate a container terminal in Jakarta.4

Jakarta has strongly backed China’s new ‘Maritime Silk Road’ (MSR) as a concept that would complement Indonesia’s vision of being a “global maritime axis”.5 The fact that the Chinese President first announced the MSR at Jakarta (in September 2014) indicates Beijing’s confidence in securing Indonesia’s support.

**Marine Resources**

Until recently, Indonesia’s national development program was largely inward-looking and continental in nature, leading to significant depletion of land-based natural resources. Lately, however, Jakarta is beginning to realize the enormous resource potential of its maritime zones that constitutes 70 per cent of its sovereign territory. The marine resources are critical to materialize Jakarta’s development plans. The significant economic strides taken lately by Indonesia - Southeast Asia’s biggest economy – has acted both an enabler and imperative for Jakarta to turn its gaze towards the seas.

The need to harness its immense maritime resource wealth led Indonesia to assert sovereign rights over the maritime zones. Its demonstrated political will
to settle its maritime boundary dispute with the Philippines and its increased assertion on its maritime claims in the Natuna Sea disputed with China may be seen in this context.

In October 2013, Indonesia launched its ‘Blue Economy’ concept to bolster the marine productivity in a sustainable manner and create new employment opportunities. New incentives are being provided to Indonesian fishermen including in terms of easy availability of fuel for their boats, and even fuel subsidies. With the economic growth rate of Indonesia’s marine and fisheries sectors being already higher than the national growth rate of 5.81 per cent, the ‘Blue Economy’ concept is likely to become a major contributor to Indonesia’s GDP. The port development plan also feeds into the concept. Indonesia also seeks to cut down on the existing bureaucratic hurdle, which has been a major disincentive for its marine tourism and cruise shipping industries to flourish. However, Indonesia has a long way to go before it catches up with two of its immediate neighbours, Malaysia and Singapore.

Maritime Security

Given the geographical spread and scatter of the archipelagic state, territorial integrity has always been paramount security imperative for Indonesia, taking precedence over dealing with low-level maritime crimes such as rampant piracy in its waters. Particularly since the secession of East Timor (1999), Jakarta has been extremely insecure. However, due to financial constraints and the ‘overwhelming’ internal security distractions, Indonesia could not develop a credible maritime-military deterrent to secure this ‘critical’ national security interest. Its Cold War-era over-aged naval platforms were ‘numerous’ but ‘numb’. As averred by the author earlier in 2005, “the relative numerical superiority of Indonesia’s naval assets is misleading. Serious budgetary constraints have led to block obsolescence of platforms and shortage of spares....only 30 of its 117 warships are operational, while more than 300 vessels are required for patrolling vast maritime areas around its 17,000 islands...Indonesia’s concerns of being unable to hold on to some of its far-flung islands are therefore not unfounded.” Indonesia’s 2005 “Green-Water Navy” blueprint for a 274-ship force by 2024, and its 2008 Presidential MEF (Minimum Essential Force) directive could not gather much headway.

While Indonesia’s economic and internal security challenges continue to prevail, Jakarta’s national policymaking seems to be striking a balance by providing adequate focus to its external
environment. The Indonesian leadership has lately adopted a two-fold approach: First, it plans to increase the defence budget from the current 0.9 per cent of GDP to 1.5 per cent over the next five years, with the proportionate increase of monetary outlay for the maritime forces expected to be the highest. Second, it plans to encourage foreign investment to develop indigenous defence industry. The major sources envisaged include the US, Russia, China and South Korea.

Besides piracy, Illegal, Unreported and Unregulated (IUU) fishing in Indonesian waters has always been a major security concern for Jakarta. It is claimed the 30 per cent of the IUU fishing in the world occurs in Indonesia alone. The illegal activity mostly involves fishermen from Vietnam, Malaysia, Thailand, the Philippines, Taiwan, Hong Kong and China, who are much better equipped as compared to the Indonesian fishermen. This deprives the locals the opportunity to ameliorate their livelihood, and leads to a major loss of revenue to the State.\textsuperscript{10} Indonesia has lately stepped up its tirade against IUU fishing in its waters through various inter alia diplomatic overtures with the concerned states, and a direct Presidential directive that stated, “There is no need to arrest them (the foreign boats involved in IUU fishing); just sink them”.\textsuperscript{11} While the latter is a contentious issue in terms of international law, such measures are illustrative of Jakarta’s proactive approach to prevent such maritime crimes through deterrence.

The Indonesian leadership are also involved in serious deliberations to designate its East-West Archipelagic Sea Lanes (ASLs) – in addition to the already promulgated North-South ASLs – to avoid ambiguities and maritime incursions into Indonesian waters.\textsuperscript{12} The promulgation of East-West ASLs would also serve to optimise the utilisation of the new ports being developed across the Indonesian archipelago.

There are no less than 12 national agencies in Indonesia involved in maritime security affairs, five of which commit seagoing assets. The Indonesian Navy (TNI-AL), besides its military role, is responsible for law enforcement in the Indonesia’s maritime zones, except the territorial waters, which is the responsibility of the Marine Division of National Police. In 2008, Indonesia’s National Law No. 17 tasked the new Indonesian Sea and Coast Guard (ISCG) Directorate (under the Ministry of Transportation) with issues of shipping and maritime safety. The Ministry of Maritime Affairs and Fishing (MMAF) is mandated for marine environment protection and fisheries. The Finance Ministry’s Customs and
Exercise Directorate is meant for tax revenue. Coordination among all these agencies has been a major issue troubling Jakarta. The coordinating body Maritime Security Coordinating Board (Badan Koordinasi Keamanan Laut, Bakorkamla) was revamped in 2007, but has still not been effective. Although effective coordination remains elusive due to the parochial interests of the concerned agencies, the emphasis of the current apex leadership is likely to lead to suitable domestic legislation to bring coherence of diverse interests towards national purpose. The indicators are already visible. Until now, the ISCG has only functioned as a Directorate under the Ministry of Transportation for shipping and maritime safety. News-reports indicate that the ISCG is likely to be designated as a full-fledged service responsible for maritime law enforcement. This also indicates Jakarta’s intent to employ the Indonesian Navy for distant missions, which is in line with its 2005 “Green-Water Navy” blueprint.

**Inferences**

The commonalities between Indonesia and India are striking. These include the long-prevailing economic, developmental and security imperatives of the two countries, the geographical contiguity and similarities in terms of far-flung and scattered island territories, the post-Cold War multi-veetored foreign policy approaches, and the problems of multi-agency coordination. Another notable commonality that has developed lately is the top-down approach to policy-making, enabled by the far-sighted dynamism of their apex leaderships.

Nations refuse to learn from each other at their own peril. While Indonesia may have many reasons to lean from India’s experiences and approach, the latter needs to emulate the positives of the former. The preceding paragraphs of this essay provide ample lessons for India based on the readers’ own experiences and expertise, the following text provides an overview of the salient inferences for India, as deduced by the author.

The most prominent takeaway is in conceptual terms – the need for India to articulate a Maritime Doctrine at the national-strategic level. This would lay down the ‘roadmap’ for the various organisations dealing with ‘matters-maritime’. As important is the organisational re-orientation in terms of inter-agency coordination. A cohesive approach under the oversight of a nodal authority in the central government would lead to enhanced coordination among the multifarious organisations dealing with maritime issues.
While India’s participation in China’s MSR concept would need to factor in the details of the concept and overriding national security considerations, New Delhi would need to materialize its plans for enhancing maritime-economic connectivity within the country and overseas through development of maritime infrastructure. The long-awaited ‘Sagarmala’ project for development of ports needs to be fast-tracked.

While far-flung and scattered island territories may be perceived as a liability, Indonesia has planned to turn its geographic challenge into an opportunity. It has been aptly realized by Jakarta that developing such connectivity will lead to the total output of these insular areas being more than merely the sum of their individual outputs. Good economic and travel connectivity among Andaman and Nicobar (A&N) Islands/Lakshadweep and the mainland would lead to optimal contribution of these to national output, besides mitigating security concerns.

Despite its natural endowments, India has demonstrated a benign neglect of the emerging concept of ‘Blue Economy’. Its immense potential for marine tourism and cruise shipping needs to be tapped. It is instructive that IUU fishing troubling Indonesia involves nationals of all its neighbours – and even distant countries like China and Vietnam – but not India that is an immediate neighbour. In fact, it is the waters off Andaman and Nicobar Islands that are plagued by IUU fishing by nationals of Indonesia. The import of this reality is clear – Indian fishermen may be among the most poorly equipped in Asia. India’s fishing industry needs to be developed, including through assistance to small-scale fishermen.

16 January 2015

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3 -ibid- .


Indonesia’s New Maritime Doctrine: Continuity and Change

Premesha Saha

Indonesia’s new President, Joko Widodo (Jokowi), outlined an ambitious vision for his country as a ‘Global Maritime Fulcrum’ (GMF) at the 9th East Asia Summit meeting in November 2014. This vision represents a development agenda, which focuses on rebuilding the country’s maritime culture as well as expanding its economy. His GMF vision focuses on five key areas: maritime culture; marine resources; archipelagic connectivity; maritime diplomacy; and naval development.¹ The principle aim of the GMF is to improve maritime connectivity and infrastructure by constructing sea highways, twenty four deep sea ports, and logistical networks. It would also facilitate economic development through the building of indigenoustourism, shipping, and fishing industries. Along with all this, it seeks to maintain and manage marine resources to ensure food security. Indonesia is the world’s largest archipelagic country, and is located at the cross-roads of the Indian and the Pacific Oceans. This strategic location forms the cornerstone of President Widodo’s GMF vision.²

Indonesia is endowed with more than seventeen thousand islands, with a rich cultural heritage and diverse ethnicity. The lack of connectivity between islands adversely impacts its economy. Efforts to remedy this problem have been undertaken by Jokowi’s predecessors, but they did not lead to any fruitful results. This was largely due to their preoccupation with the internal security threats that plagued the country at the times they were in power.

Interestingly, Jokowiborrows very liberally from the visions of his predecessors: like Sukarno’s ‘Trisakti’ vision for Indonesia that propagated a sovereign country with a resilient economy and a multicultural society. The underlying vision of the GMF is not new; but the approach being undertaken for giving shape to his
ambitious vision are said to be more “assertive”, “nationalistic” and “self-centred”.

In the above context, this issue brief analyses Indonesia’s New Maritime doctrine which propounds Indonesia as a ‘Global Maritime Fulcrum’ with the aim of identifying the fundamental changes brought about by Jokowi.

A Continuing Legacy

Although this doctrine is grabbing a lot of attention worldwide, the vision it propounds is an old one. Jokowi’s doctrine derives from the visions of his predecessors and can, therefore, be said to be a continuing legacy.

**PACINDO**

*Pacific and Indian Oceans*

In the Vision Mission statement (Visi-Misi), President Widodo emphasises at projecting Indonesia as an ‘Indo-Pacific power’. It sees the closely interconnected Pacific and Indian Oceans (PACINDO) as the primary theatre of Indonesian foreign policy engagement. This vision follows from former Foreign Minister Natalegawa’s ‘Pacific-Indo-Pacific’, Australia’s ‘Indo-Pacific’, and the USA’s ‘Indo-Asia Pacific’ visions.

While addressing the Centre for Strategic and International Studies, Washington D.C in May 2013, Natalegawa stated that what is being imagined is, “a triangular (space) spanning two oceans, the Pacific and Indian Oceans, bounded by Japan in the north, Australia in the South-east and India in the south-west, notably with Indonesia at its centre.”

This vision was also clearly reflected in the statement of the former President Susilo Yudhoyono at the 2012 Shangri La Dialogue, where he stated that “there is every likelihood that in the twenty-first century, the Indian Ocean will grow in geostrategic importance. We must make sure that the Indian Ocean does not become an area of new strategic contest and rivalry. Indeed, now is the time to cultivate the seeds for long-term cooperation, based on common interests in that part of the world.”

Maritime Identity

Geographically, Indonesia’s archipelagic disposition bestows it with a distinctive geo-strategic identity. If Indonesia possesses strategic depth and size, its geographic configuration also disrupts the unity of the Indonesian state. Therefore, Indonesia has always struggled to achieve national unity through diversity (Bhinekka-Tunggal-Ika). The central idea of the GMF is to reassert the age-old archipelagic identity that recognises the link between the country’s geography, identity and livelihood.
President Widodo clearly values the sea surrounding the Indonesian archipelago for its economic potential, rather than seeing it as a natural disadvantage. This idea of Jokowi is quite similar to that of Prime Minister Djuanda, who believed that the economic development of Indonesia can come about only if the marine resources are properly managed. With this thought in mind, he issued the Djuanda Declaration of 1957. The Djuanda Declaration, which later came to be known as the Archipelagic State Principles was the “declaration of territorial unity that comprised the unity between the land, the sea, its seabed and subsoil area, the airspace and all the resources contained therein.” It was during this period that the principle of ‘Wawasan Nusantara’ (Unity/Archipelagic Outlook) was also announced; it has remained an official government policy ever since.

**Sovereignty and Maritime-Territorial Jurisdiction**

Indonesia lies at the heart of Southeast Asia. It is home to most of the strategic chokepoints of this region. Unresolved maritime boundaries have been the primary security concern for Indonesian foreign and defence policy-makers. Illegal, unreported and unregulated (IUU) fishing in Indonesian waters and maritime piracy or sea robberies are other issues of concern. The Jokowi administration is determined to uphold the territorial sovereignty of Indonesia against any intrusions and intensify diplomacy to settle boundaries with neighbouring countries. The country has always been over sensitive towards its sovereignty and territorial integrity. It was the first country to submit its proposal to the International Maritime Organisation for giving it the status of an ‘archipelagic nation’ (increasing its territorial limits from 3 nautical miles (nm) as was set during the colonial period to 12 nm) to secure its waterways. After the failure of the Second UN Law of the Sea Conference in 1960, the government issued its own domestic regulation No.8/1962 authorising ‘innocent passage’ through the Indonesian waters. Later that year, an Indonesian Maritime Council was established to consider and coordinate activities dealing with various maritime issues, including fishing, navigation, seabed resources, and others.

After the announcement of the MALSINDO in 2004, many were of the view that there was a change in the attitude of Indonesian policy makers. It is useful to say the MALSINDO is not a joint patrolling exercise; it is a coordinated patrol where the navies of Malaysia, Singapore and Indonesia
patrol their own waters. The wariness of Indonesia to join the Japan-sponsored ReCAAP\textsuperscript{11} initiative to control piracy attacks in the Straits of Malacca is another case in point.

**Maritime Diplomacy**

The Jokowi administration hopes to intensify maritime diplomacy to settle existing boundary disputes with its neighbours. This is also in line with the mediator role Indonesia has been playing in the ASEAN. For long, Indonesia has believed that the sea does not divide countries, but only unites them. The fact that Indonesia was the first country to try to resolve the dispute in the South China Sea through the Workshop on the South China Sea illustrates this. It was also the forerunner in initiating the Declaration of the Code of Conduct for the South China Sea in 2002. \textsuperscript{12}

**Maritime Connectivity**

Maritime connectivity has been an important agenda for Indonesia and the ASEAN for some time now. For Indonesia, it was an important agenda during the APEC Focus Group Discussion in April 2013.\textsuperscript{13} ASEAN has also sought to achieve inter-island connectivity through its plans of developing a proposed ‘ring shipping route’ in maritime Southeast Asia as part of the ASEAN Connectivity plan.\textsuperscript{14}

**What is New?**

Although the Jokowi administration’s vision is like ‘old wine in a new bottle’, nevertheless the initiatives being undertaken for the realisation of this vision are more proactive. For instance, this is true of the orientation of his current foreign policy, the protection of marine resources of Indonesia, and the development of its naval power.

**Foreign Policy Orientation**

In January 2015, the current Foreign Minister Retno Marsud\textsubscript{i} officially laid down three foreign policy priorities of the Jokowi Government. These are:a) maintaining Indonesia’s sovereignty; b) enhancing the protection of Indonesian citizens; and c) intensifying economic diplomacy.\textsuperscript{15} Today, Jakarta is more active in defending its sovereignty and its national interests. Moreover, the free and active (Bebas Aktif) nature of its foreign policy appears to be reinterpreted. Under Yudhoyono, it was seen as amounting to ‘a thousand friends, zero enemies”. However, the current policy stresses that ‘All nations
are friends until Indonesia’s sovereignty is degraded and jeopardised’. Also, Yudhoyono’s policy was said to be more elitist, whereas Jokowi is following a ‘pro-people’ policy. According to Rizal Sukma, ‘Indonesia will no longer row between the two reefs, but will sail in the two oceans.’

Indonesia’s position towards the South China Sea dispute has been consistent for the past several years. It claims that it is not a party to the South China Sea dispute, though China’s nine-dash line encloses the Indonesian-claimed Natuna Islands. This position is likely to change under Jokowi. According to a recent update in the Jakarta Post, Indonesian officials are planning to build a new base near the Natuna Islands. In March 2015, President Jokowi commented that, ‘The ‘nine-dashed line’ that China says marks its maritime border has no basis in any international law.’ Nevertheless, Jokowi is very cautious in his approach towards China since a lot is at stake. An interest has already been expressed to benefit from China’s Maritime Silk Route plan.

Protection of Marine Resources

In 2014, the marine law enforcement authorities confiscated over a hundred foreign vessels for illegal fishing in Indonesian waters. According to an official estimate, Indonesia loses an estimated US$24 billion due to illegal fishing by China, Malaysia, Philippines, Thailand and Vietnam. Responding to this problem, President Widodo ordered the sinking of foreign fishing boats that unlawfully enter Indonesian archipelagic waters. This is in accordance with Indonesian domestic law. This policy is negatively impacting the image of Indonesia. The neighbouring countries are concerned that Indonesia is finally coming out of its shell, and beginning to use hard power.

The Development of Naval Power

According to IHS Jane, the Indonesian Navy (TNI-AL) is upgrading two provincial naval bases to the status of district bases. One is located on the island of Tarakan near North Kalimantan (Lantamal XIII), and the other in Sorong (Lantamal XIV) in West Papua and these would be ready by the end of 2015. The up gradation of Lantamal XIV is for a third fleet called the Central Fleet, which will be added to the already existing Western and Eastern Fleet in Jakarta and Surabaya. On the other hand, the up gradation of Lantamal XIII would strengthen Indonesia’s position in the Amablat Sea Block in the Celebes Sea where it has a dispute with Malaysia.
The new maritime doctrine envisages the development of a formidable naval power. Defence modernisation is not only critical in ensuring Indonesia’s territorial sovereignty and safeguarding its marine resources, but also to maintain free and safe navigation through the international shipping lanes. For that purpose, the Widodo administration seeks to modify existing defence planning from the modest ‘minimum essential force’ (MEF)\textsuperscript{24} strategy towards a more ambitious defence policy. President Widodo will maintain his predecessor’s commitment of rebuilding indigenous defence industries and expanding defence industrial cooperation with potential partners. He also plans to carry forward the proposals laid down for the development of a green water navy\textsuperscript{25} and the Sea and Coast Guard Indonesia (SCGI). He has promised to increase the military budget from the existing 0.9 percent of the GDP as well as attracting foreign investment.

In December 2014, Jokowi took another important step by setting up a new Maritime Security Agency (Badan Keamanan Laut, BAKAMLA) under the Coordinating Ministry of the Political, Security and Legal Affairs to replace the previous BAKORKAML\textsuperscript{26}.

Conclusion

Jokowi’s vision for his country is a continuing legacy; he also seems determined to uphold and revive the long established principles of Indonesia, such as ‘Jalesveva Jayamah’ (in the ocean we triumph). Indeed, the actions being undertaken for the realisation of this vision are proactive. This is what is garnering worldwide attention towards this doctrine. This vision may have existed for a long time in the minds of Jokowi’s predecessors; but it is his approach that is giving this vision new recognition. Given Indonesia’s geography, this doctrine seems to be long overdue although there is no doubt that this seems to be the most opportune time to propagate it steadfastly. It must also be kept in mind that, given the scarcity of resources in Indonesia, it will not be easy to give shape to this ambitious vision, and needs a more than five year long commitment.

7 September 2015
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5 Ibid.


7 Ibid.


9 The Act deals with navigational conduct and establishes the operational criteria by which to determine the ‘innocent’ character of maritime passage through its waters. It also contains regulations which must be obliged by foreign ships intending innocent passage. Under the July 1962 Regulation No. 8 that defined the 12 mile limit of the territorial sea, foreign warships and other non-commercial vessels must give notice before entering the territorial sea.

10 Hasjim Djalal, n.4.

11 The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia is the first regional government-to-government agreement to promote and enhance cooperation in the areas of information sharing, capacity building and cooperative arrangements against piracy and armed robbery in Asia. It was finalised on 11 November 2004, and entered into force on 4 September 2006.

12 Lis Gindarsah and Adhi Priamarizki, n.2.
13 Ibid.


16 Ibid.

17 Hikmahanto Juwana, n.3


19 Hikmahanto Juwana (2015), n.3.

20 Lis Gindarsah and Adhi Priamarizki, n.2.

21 Ibid.

22 According to Article 69, Paragraph 4 of Law No. 45/2009 on Fisheries, Indonesian authorities are allowed to burn or sink foreign fishing vessels conducting illegal fishing within the Indonesian fishing management area, subject to the sufficient preliminary evidence. That law amended Law No. 31/2004 on Fisheries stipulates that the Indonesian fishing management area consists of Indonesian waters (internal waters and territorial sea) as well as the exclusive economic zone (EEZ) of Indonesia. Source: http://thediplomat.com/2015/01/is-indonesias-sink-the-vessels-policy-legal/.


24 The Minimum Essential Force (MEF) a twentyyear plan (2005–2024) sets forth a military modernization agenda, with a special emphasis on the modernization of the Indonesian navy and air force. In the context of naval build up, the MEF goal is to develop a five-fleet force, totalling 274 ships with striking, patrolling and supporting capabilities by 2020. The plan involves weapons procurement, the development of an indigenous defence industry, and the revamping of defence research facilities.

25 Green-water navy describes a naval force that is designed to operate in its nation’s littoral zones, and has the competency to operate in the open oceans of its surrounding region.

Seychelles New Mantra: Indian Ocean ‘Zone of Peace and Opportunity’

Vijay Sakhuja

In July 2015, at the 18th Plenary Session, the Contact Group on Piracy off the coast of Somalia (CGPCS), accepted the Government of Seychelles offer to take over the Chairmanship of the CGPCS for the year 2016 from the European Union. It acknowledged Seychelles proactive engagement in international efforts to fight Somali piracy. Earlier this month, in his message as the incoming Chair of the CGPCS for 2016, Joel Morgan, Minister for Foreign Affairs and Transport announced that his country’s ‘mantra’ during the chairmanship would be to see the Indian Ocean as a ‘Zone of Peace and Opportunity’. Although the statement does not elaborate on the words ‘Peace’ and ‘Opportunity’, it is a reflection of Seychelles commitment to ensure maritime order in the Indian Ocean is upheld. There are at least four issues in the statement that merit attention.

First, the statement warns that the decline in incidents of piracy off Somalia and the Gulf of Aden does not necessarily mean that the pirates have ‘gone home’ given that the last big merchant vessel hijacked by Somali pirates was in May 2012; instead Somalia remains unstable with a number of criminal organizations engaged in arms, drugs, and human trafficking. Further, the international community must continue to remain vigilant and the investments made in bringing “like-minded states and entities together to combat piracy” are not lost. These concerns are further corroborated by experts who believe that it is too early to ‘lower your guard’. The Puntland’s Counter-Piracy Minister Abdalla Jama Saleh has also cautioned that pirates “are not dead, but dormant now, so they will come definitely... straight away, no question about it [as soon as the warships leave]”. Seychelles is keen that naval operations in the Gulf of Aden continue and any let up would necessarily mean the return of piracy.

The second issue in the statement is about the mariners held hostage by
various pirate groups who need to be released and returned home. According to UKMTO weekly report 10-16 October 2015, there were no incidents of attack/board/hijack reported in the Gulf of Aden and no merchant vessels or its crew were under pirate control except 45 Personnel belonging to a fishing vessel (Naham 3; 26 persons held since March 2012) and a dhow (Siraj; 9 persons since March 2015). Interestingly, another Iranian dhow, the Jaber, which was captured along with Siraj by the Somali pirates, was successful in escaping in August 2015 and was able to seek refuge under the EUNAVFOR. The rescue of the crew of these vessels is a complex task and it remains to be seen who would be willing to send forces into Somalia.

The third issue relates to Seychelles call for a regional approach to addressing piracy given that it began within the region and it is therefore important that a regional approach be adopted to end it. The counter piracy operation in the Gulf of Aden are good examples of cooperative approach to security. The international community responded firmly through a number of political, diplomatic, security, legal and financial initiatives with positive results. The international shipping industry, concerned about the threat of piracy, also joined hands with the governments and instituted best business practices to protect ships against pirate attacks. At the heart of these engagements was a firm belief that the pirates are hostis humani generis meaning “enemy of all mankind”.

Fourth, the statement argues for an inclusive approach through consultations with regional partners by sharing experiences which would help Seychelles drive agenda during its chairmanship. In the Indian Ocean, two important multilateral forums i.e. Indian Ocean Rim (IORA) and Indian Ocean Naval Symposium (IONS) are proactively engaged addressing the issue of piracy in the Gulf of Aden. The Bengaluru Declaration (2011), Gurgaon Communique (2012) and Perth Communique 2013 and 2014 have noted with concern the “prevailing situation regarding maritime security in the Indian Ocean” and called on regional countries to cooperate and fight piracy.

Although Seychelles begins Chairmanship of the CGPCS in January 2016 with a near clean piracy ‘slate’, there are disturbing reports of illegal, Unregulated and Unreported (IUU) fishing by foreign vessels in Somali waters. For instance, fishing vessel Al Amal, flying North Korean flag, was suspected of illegal fishing in the Somali waters. It is useful to mention that
Somalia loses over USD 200 million annually due to illegal fishing by vessels from Yemen, Iran, China, Taiwan, Korea and European-owned vessels. Among these, the Yemeni and Iranian vessel are perhaps the most aggressive who operate in hundreds.

The 2016 Chairmanship offers Seychelles a unique opportunity to invest its political-diplomatic capital to highlight menace of IUU fishing in Somali waters. After all this was the very reason that prompted the Somali fishermen stand up to fight foreign fishing vessels and turn into pirates. Also, IUU can potentially undermine the durability of what has been achieved in the Gulf of Aden by the international community over the last five years.

23 October 2015
China and Russia have just concluded ‘Joint Sea II’, their second combined naval exercise this year, on 20 August 2015 in the Sea of Japan. Prior to this, the two navies had come together for ‘Joint Sea I’ in the Mediterranean Sea in May 2015. The closely timed drills and the choice of geographic locations draw attention to the thrust areas in China-Russia military cooperation and a shared vision of the ‘ideal’ geopolitical status quo for these states. Whereas China maintains an adversarial position on island disputes and maritime sovereignty issues in the East and South China Seas against other East Asian littorals, Russia’s relations with the US and Europe have been tense ever since its annexation of Crimea in 2014 and the continued backing of pro-Russia rebels in the Ukrainian civil strife. Amidst these circumstances, looking at the China-Russia naval exercises warrants an examination of the interests and intentions of both the states in the international system on various levels.

**Pushing for Naval Resurgence**

China places maximum emphasis on building a comprehensive blue water naval capability, which is evident in its new acquisitions, naval exercises, and out-of-area operations. Similarly, Russia too seeks to revive its navy, which has been a significantly less potent force since the demise of the Soviet Union. Russia’s new ‘Maritime Doctrine – 2015’ has identified key regions and functions wherein Moscow’s naval presence must be actively maintained in the near future. Modernization of these navies brings the accompanying imperative of testing new capacities and capabilities in theatres of critical interest. The Mediterranean Sea is the primary maritime zone for the Russian Black Sea Fleet at Sevastopol if it aims to access the Atlantic Ocean. It also gives an opportunity to the PLA Navy to train and test its sea endurance far from the Chinese shores. On the other hand, its Pacific Fleet gives Russia the natural
advantage of expanding the geography of a military conflict originating in Europe. For the PLA Navy, the Western Pacific constitutes the area for exercising its far seas defence which would let it contest the US Navy’s preponderance in the Pacific Ocean. Thus, the geographic logic of Joint Sea I and II seems to appeal to the strategic interests of both the navies.

**Geopolitical Signaling**

Analysts in international relations have long considered the China-Russia axis to be a shadowy reality. Despite the historic estrangement, which occurred during the 1950s, the two states have come to symbolize the totalitarian challenge to Western democracies and constitute the non-liberal poles within a liberal international order. In this context, there is the tendency to view the hostile behaviour of both states as endorsed and encouraged by each other. China and Russia have indeed made this evident on multiple occasions on key forums such as the United Nations Security Council. To this effect, the intended signals of their combined naval exercises would also be perceived in the same vein.

While Joint Sea I was Russia’s counter to NATO raising its levels of military preparedness in Eastern Europe, Joint Sea II was projected by the two sides as an exercise to ‘maintain regional status quo’ and deter the US from ‘destabilizing’ the Asia-Pacific. Obviously, China and Russia understand the signals sent by their joint military manoeuvres and reinforce these speculations by injecting the same in their rhetoric, which precedes such exercises.

**To Prepare or Repair?**

Finally, there is the need to assess whether these exercises can and will create the impact desired by China and Russia, and as suspected by observers in both Europe and Asia. The most critical determinant in China-Russia military cooperation is the absence of alliance options. Both states lack great power allies and their respective military industries are afloat mainly on account of huge yearly arm sales to the Third World. They cannot but engage with each other for as long as they expect and must prepare for a major war which would either involve the US itself or its allies.

But, the constraints on this partnership of convenience are manifold. Primarily, in terms of capacity, the two navies do not match up to the opposition and it is likely to remain so unless the US suffers rapid and interminable decline in the coming decades. Both forces face crucial maritime geostrategic disadvantages as well. The Russian naval fleets remain fragmented by vast
continental/oceanic distances whereas the PLA Navy is still far from possessing an assured capability to breach the ‘island-chains’ in case of armed conflict in the Western Pacific. Furthermore, the complexity of these combined exercises remains at a basic tactical level by comparison with exercises such as the Rim of the Pacific Exercise (RIMPAC) where manoeuvres of far greater complexity are conducted.

This brings to fore the low level of mutual trust between China and Russia where military-to-military cooperation has not risen to the level of sharing advanced technologies even as the leaders on both sides push for deeper engagements with each other’s competitors/rivals. With the awareness of these facts, one can question whether China and Russia can really prepare to challenge any element of the existing order in their respective regions of interest without first repairing and re-forging their alignment to unify against perceived common threats. It is also pertinent here that the likelihood of any military action against either China or Russia in one theatre to also directly threaten the other would be low, particularly if conducted in Europe.

In the final assessment, China-Russia naval exercises only send weak signals, albeit, about a suspected strong front which could be a future menace for the opposition. To achieve maximum effectiveness in at least this area, both the frequency and complexity of such exercises would have to grow, if and when the conditions in Eastern Europe and East Asia deteriorate. This would also have to be reiterated in the actions of the Chinese and Russian political leaderships and reflected in their bilateral relations.

28 August 2015
China’s President Xi Jinping is presently on a state visit to the United States of America and is scheduled to meet President Barack Obama on 25th September 2015. The two presidents last met in Beijing on the sidelines of the APEC Summit, when they concluded a historic climate deal and a path-breaking agreement to issue 10-year multiple-entry visas to citizens of either country. Earlier, during the Sunnyland Summit in 2013, they upgraded the U.S.-China relationship to the status of “a new type of major power relationship” – a rather sophisticated version of the popular G2 concept.

Given the precedence, this time too, some significant announcements are expected. Moreover, this, being the last Chinese state visit of Obama’s presidency, both sides are likely to be under pressure to achieve some kind of significant breakthrough at the end of the summit - which will further the diplomatic legacy of the Obama administration.

However, the high-profile visit is somewhat marred by a degree of pessimism that has set in of late in the U.S.-China ties. The rift between the two sides has been visibly widening over a plethora of issues including the South China Sea dispute, cyber security issues, and currency manipulations– so much so that many argue that a “tipping point” is looming large upon the two biggest economies of the world.

Making matters worse, on one hand, there are apprehensions about the U.S. Federal Reserve’s impending rate hike triggering capital outflows from the Chinese markets. On the other hand, Chinese stock market has been tumbling, Yuan is being devalued, and growth rate in China is reaching a record low. All these issues have further dampened the sentiment in both countries and cataclysmic projections about the future of both economies have taken over the public discourse on either side.

In this context, questions arise regarding how exactly did the ‘APEC
In a dramatic turn of events in the South China Sea politics, the U.S. military asserted the freedom of navigation and overflight by sending its reconnaissance planes to fly over islands and reefs reclaimed by China. U.S. Defence Secretary Ashton Carter famously said, “There should be no mistake, the United States will fly, sail, and operate wherever international law allows and will continue to be the principal security provider in the Asia-Pacific for decades to come.” When the Chinese side charged the U.S. of “relinquishing its neutrality in South China Sea politics,” the U.S. Assistant Secretary of State, Daniel Russel, clarified that “the United States is not neutral when it comes to following international law in the South China Sea and will come down forcefully to ensure that all parties adhere to the rules.” In their effort to not set “a wrong precedent”, the Chinese side retaliated saying that China’s determination to protect its interests in South China Sea is “as firm as a rock” and if Washington doesn’t drop its demands over the South China Sea, “US-China military confrontation will start sooner or later.”

In a symbolic gesture, China released its 2014 defence white paper, its first ever military strategy, where it emphasised on safeguarding China’s maritime rights and interests and the need for PLA Navy to
be prepared for future maritime military struggle. The United States reacted by updating its national military strategy, first time since 2011, where it explicitly mentioned that “the probability of U.S. involvement in interstate war with a major power is assessed to be low but growing”. It also expressed its concern over China’s actions in South China Sea which it stated as “inconsistent with international law and are adding tension to the Asia-Pacific region”.

The U.S. reached out to its key partners in the Asia Pacific Region to express solidarity and also to initiate “the next phase of its rebalance strategy”. The U.S. Defence Secretary made two significant visits to the Asia Pacific this year. His first trip was to Japan and South Korea and his second trip was to Hawaii, Singapore, Vietnam and India. In Japan, he declared U.S. disapproval of “any unilateral coercive action from any country seeking to undermine Japan’s administrative control of Senkaku Island or causing change in the status quo of the South China Sea”. The US also announced its resolve to stand by the Philippines in its territorial dispute with China. Sending yet another strong message to Beijing, the newly appointed US Commander of the Pacific Fleet, Scott Swift even conducted a surveillance mission on board a P-8A Poseidon plane during his visit to Manila.

With Vietnam, the U.S. has not only partially lifted the ban on arms sales but is exploring ways of deepening defence cooperation with Hanoi, especially in the maritime domain. Besides the traditional adversaries of China, the U.S. reached out to other players in the region including Singapore, South Korea, Australia, Malaysia and India either to reaffirm the strength of its alliance or to explore new areas of security cooperation in the Asia Pacific.

If combined military exercises are any symbol of evolving geostrategic equations, the U.S. Navy carried out the two major military exercises this year, which elicited strong reactions from the Chinese side – one is the ‘Talisman Sabre’ exercise with Australia, Japan and New Zealand. The exercise courted much controversy, since unlike previous years when the focus of the exercise was on humanitarian aid, disaster relief, and counterterrorism operations, this year it focused on the planning and conduct of “mid-intensity high end warfighting”. The second one is Operation Balikatan - a military exercise conducted by the U.S. and the Philippines in the South China Sea. This year the size of the exercise was twice that of other years. Other than these, there had been much speculations about Washington’s unwillingness to
continue including China in RIMPAC 2016, or about expanding the bilateral naval exercise between the U.S. and India, i.e. Malabar, to incorporate Japan as well.  

As the U.S. strove hard, for most part of the year, to ramp up military cooperation with its allies in the Indo-Pacific region, China, meanwhile, has been clearly cosying up with Russia on issues ranging from economics to history and to even military affairs, much to the U.S.’s discomfort. This year China and Russia not only showed solidarity with each other on commemorating the 70th anniversary of the end of World War II but also conducted two major combined naval exercises - one in the waters of the Peter the Great Gulf, off the Clerk Cape and the Sea of Japan and the other in the Mediterranean.

Not only in terms of strategic/military matters, the bout of allegations and counter allegations between the U.S. and China continued on other fronts as well, including cyber-attacks, human rights, religious freedom and economic espionage. The U.S. Department of Homeland Security noted that massive data of around 4 million U.S. federal employees from the Office of Personnel Management and the Interior Department had been compromised in hacking attacks from China. Several charges also got filed against Chinese personnel including professors in the U.S. for theft of trade secrets. China on the other hand countered these allegations, projecting itself to be at the frontline of cyber-attacks and espionages. The rift between China and the U.S. over the issue has become so serious that President Obama even hinted at imposing sanctions against China on the issue cyber security.

**Chinese Perspectives**

According to the Chinese scholars, it is the “pre-emptive posture” of the U.S., aimed at maintaining its global superiority, that is souring the Sino-U.S. relations. However, most western scholars believe that the Chinese “proactive policies” in both South China Sea and in the field of economics is the real reasons behind the recent downward trend in the relationship.

Chinese scholars hold the view that the U.S. military and diplomatic circles have not yet reached a consensus on how to deal with China’s ascendance and will react only after assessing China’s capacity to retaliate. They say, “the U.S. is merely flying a kite”; in other words, testing China’s determination and strategy to counter U.S. provocation.

The argument of “offshore balancing” is also gaining currency
within Chinese scholarly circle. According to this theory, the U.S. remains at the sidelines but prompts Beijing’s neighbours to assume the risks and costs of countering a rising China. The Chinese scholars argue that the U.S. is really only “putting on a posture” of involvement in the South China Sea so as to gain the trust of its allies. However, it neither has the intention nor the capability to take any substantial military action against China. And, therefore it is only making efforts to slow down China’s rise by creating problems or harassing China.

The third reason they indicate is linked to the election ‘season’ in the U.S. China-related issues have apparently become an intrinsic part of the U.S. domestic politics, wherein politicians publicize various threats posed by China’s rise – “How the Chinese have snatched American jobs, how Chinese companies have stolen U.S. technologies, and how China’s rise has challenged U.S. dominance”—only to win votes. According to the Chinese scholars, “China bashing” in the U.S. gets particularly loud during the election times. Be it the Republicans or Democrats, most presidential candidates try to score brownie points among electorates by assuming tougher stance against China. However, after being elected, the new presidents only readjust their China policy to a more pragmatic one.

The U.S. Perspective

The American side, however, have a completely different take on the deteriorating bilateral relationship. They say that it’s ‘China’s Muscle flexing’ or its proactive military stance against its neighbours and U.S. allies that is strengthening the U.S. foothold in the Asia Pacific. In words of Defence Secretary Ashton Carter, “China’s actions are bringing countries in the region together in new ways. And they’re increasingly demanding for American engagement in the Asia-Pacific, and we’re going to meet it. We will remain the principal security power in the Asia-Pacific for decades to come.”

On the other hand, the success of China’s proactive economic policy is increasingly making Washington anxious about its own future and about the possibility of losing its privilege of writing the rules for global governance to a more economically resilient China. A case in point is the Asian Infrastructure Investment Bank (AIIB) episode, early this year. The initiative has long been interpreted as a symbol of China-U.S. competition, and a test case for either side’s global influence. The U.S., which pitted AIIB against other U.S.
led financial institutions including the World Bank and the Asian Development Bank, actively encouraged its allies to not participate in the initiative. However, in what was later termed as a “diplomatic debacle” for the U.S., 16 of the world’s 20 largest economies took part in the Chinese led initiative. To great embarrassment of Washington, some of the closest allies of the U.S. like the U.K., South Korea, Australia too joined the initiative at the face of Washington’s harsh criticism. The AIIB incident has been largely interpreted by many U.S. scholars as the U.S losing face against China “spectacularly and humiliatingly”.

The AIIB is just one of regional mega projects that China has proposed in recent years. Beijing’s Silk Road projects has made significant progress this year, transforming from a theoretical concept to an actual executional plan. The New Development Bank for BRICS economies is also coming into action. China has already proposed another new regional trade agreement, the FTAAP (Free Trade Area of Asia Pacific) during the APEC Summit last November. It has already held several rounds of discussions with countries like Australia, India, Japan, New Zealand and South Korea on RCEP and aims to complete the negotiations this year.

In comparison Trans Pacific Partnership (TPP) deal initiated by the U.S. – often stanced as the economic arm of the Obama administration’s Pivot to Asia policy continue to be a laggard. Even after two years of claims that its conclusion is near, the deal still remains elusive. Although there has been much debate on whether the two trade blocs in Asia – the one led by China and the other by the U.S. can be made compatible with each other and chances have been explored whether China can seek membership of TPP and the U.S. becomes a member of AIIB in due course in time. However, such rosy projections are doing little to address the growing apprehensions in the U.S. about what President Obama once famously said “without the TPP (read the U.S.), China will write the rules for trade and investment in Asia”.

In this background of rising competition between the U.S. and China over access to and influence in the Asia Pacific Region, and the growing insecurity over who writes the rules of global governance, that the debate over the relevance of classic Thucydides Trap is once again gaining traction among western scholars.

Conclusion

It is important to recall, that provocative gestures like the U.S.
sending reconnaissance flights over South/East China Sea or having serious disagreements with China over trade issues are not entirely new developments – although the intensity may vary from time to time. For instance, in November 2013, the U.S. defied China’s Air Defence Identification Zone (ADIZ) by flying B-52 bombers over disputed islands in East China Sea. In the area of trade and economics as well, the U.S. publicly lobbied against China’s FTAAP proposal and launched an economic offensive against China on the Chinese soil, by promoting the TPP (the trade block that excludes China) and meeting its potential members, at the side lines of the APEC summit. However, none of these provocative posturing could derail the Xi-Obama meet of November 2014, when both the leaders managed to strike the revolutionary climate deal and other such agreements which rather strengthened the ‘new type of major power’ relations. Given this trend, it is not impossible that this time too, the leaders will manage to pull off a great show, in spite of all the initial discord and challenges.

The second part of this Issue Brief will examine the issues discussed during the meeting, analyse any joint statement that may be released and thereby evaluate its implication for India.

23 September 2015

Notes

1 Dr. David M. Lampton’s speech “A Tipping Point in U.S.-China Relations is Upon Us” as given at the conference “China’s Reform: Opportunities and Challenges.” This event was co-hosted by The Carter Center and the Shanghai Academy of Social Sciences over May 6-7, 2015.http://www.uscnpm.org/blog/2015/05/11/a-tipping-point-in-u-s-china-relations-is-upon-us-part-i/.


6 The U.S. sent P8-A Poseidon surveillance aircraft, which is also the US military’s most advanced surveillance aircraft, to fly over China’s islands and reefs in the South China Sea.


22 Around 33,000 troops, 200 aircraft as well as 21 ships participated in the exercise.


27 China had lodged a strong protest against the 2007 Malabar exercise in the Bay of Bengal when they were expanded to include the Japanese, Australian and Singaporean navies as well. China had viewed the multi-lateral exercise as a step towards building a security axis to “contain” it in the Asia-Pacific. The 2007 Malabar exercise in the Bay of Bengal was expanded to include the Japanese, Australian and Singaporean navies. However, China launched a strong protest against the same following which Malabar was made a bilateral exercise. India to include Japan in its Malabar naval exercise with the US, The Times of India, Jul 11, 2015, http://timesofindia.indiatimes.com/india/India-to-include-Japan-in-its-Malabar-naval-exercise-with-the-US/articleshow/48027221.cms, accessed September 20, 2015.


In one case a report released by a Chinese cyber security company alleged a foreign government-backed hacker group named “Ocean Lotus” of having engaged in cyber-attacks against Chinese institutions since 2012.


42 Graham Allison of Harvard University has labeled “the Thucydides Trap” – that deadly combination of calculation and emotion that, over the years, can turn healthy rivalry into antagonism or worse.
Maritime Economics and Blue Economy
‘Smart’ Port Cities

Sandeep Bali

The groundwork for PM Narendra Modi’s dream project of 100 smart cities across India has been laid. The project is at conceptual stage with details being worked out through discussions with all stakeholders, including the state governments. One smart city each at the country’s 12 major ports is also included in this vision. Concurrently, the Ministry of Shipping has also revived the ‘Sagar Mala’ project by preparing a comprehensive concept note on the long-cherished ‘port-led development’.

Historically, ports and cities have linked diverse civilizations. What began as small trading harbours, flourished into large cities and fuelled urban development and prosperity through trade. The three large Indian metropolitan cities, namely Mumbai, Kolkata and Chennai emerged from trading outposts established by the colonial powers.

Likewise, the port cities in developed countries also began as small trading harbours, but the planners were able to recognise and derive advantage of the complex port – city relationship. Many modern economic hubs like New York, Rotterdam, Antwerp, Singapore, Shanghai, Osaka-Kobe, Guangzhou, Tianjin and Hong Kong are good examples of the symbiotic relationship between a smart metropolis and a flourishing port. The case of Shenzhen is a notable success story. It began as a small fishing village, which turned into one of world’s largest metropolis and port in a few decades. China’s exemplary growth would not have been possible without such catalytic contribution provided by its port cities. In fact, today, most of the modern and efficient port cities are good examples of mutually beneficial port development and urban planning policy.

The government’s intent to seize the opportunity to transform India’s major and minor ports into smart port cities is laudable. The current wave of globalization is being driven largely through oceans, and many countries are
investing much capital and technology to harness the oceans to develop ‘Blue Economy’. Integration of ports, industrial clusters, smart and efficient satellite cities, hinterland, and efficient connectivity through road, rail, inland and coastline waterways, are the drivers of economic activity. Smart port cities drive the economic development of a wider region, which is similar to the role played by larger ports. These smart cities also absorb migrant population attracted by fruits of economic development, and facilitate smart urbanization.

There are a number of benefits in integrating the Indian government’s vision with regard to ‘smart cities’ and transforming ‘port led development’ into ‘smart port cities’. This would contribute to the national agenda in term of smart urbanisation, catalytic economic growth, and India’s long desired resurgence as a vibrant maritime nation. India’s ‘smart-city’ vision can explore developing a number of little ‘Singapores’ dotting the peninsula, thereby accelerating the government’s vision of a smart urban as well as economically developed India.

As India strives to attain its destined place in the ‘community of nations’, it is time to bridge the divide between “maritime capacity” and the demands placed upon it by geopolitical factors. Maritime economic prosperity achieved through smart port cities percolating into the hinterland would automatically lead to accretion of maritime capability, enabling the country to achieve its broader national objectives.

2 March 201
Introduction

In the Annual Budget of 2014-15, the government has allocated Rs 4200 crore to be spent in the next six years towards Ganga Jal Marg Vikas, i.e., National Waterway No.1 (NW-1) from Allahabad to Haldia, a stretch of 1620 km. Towards this, the World Bank has already carried out the technical study and prepared a feasibility report giving detailed plans of action for improving navigable depth through dredging, construction of barrages and setting up navigation aids, including Differential Global Positioning System (DGPS) stations. Once fully developed, it is expected that Barges of 1200-1500 ton capacity will be able to safely navigate through this waterway. Fully developed navigable waterways, in addition to Inland Water Transport (IWT), will open India’s rivers for tourism, recreation facilities and sporting activities along with facilitating transport of goods.

Along with Ganga Swachch Abhiyaan (GSA) and Swachh Bharat Abhiyaan (SBA); Ganga Jal Marg Vikas (GJMV) and Integrated National Waterways Transportation Grid (INWTG) have generated great enthusiasm among the stake holders. The planners, developers, transporters and trans-shippers are engaged in partnership to develop various inland infrastructures like terminals, logistic hubs, road/rail, shipbuilding, dredging, hydrography, navails, etc. However, the development, maintenance and regulation of the NWs for safe navigation are the responsibilities of Inland Waterways Authority of India (IWAI).

Further, services like management and operation of IWT terminals, barge operations, logistics management and shipbuilding and ship repairs will have to be outsourced or jointly managed under Public-Private Partnership (PPP)
models on a revenue sharing basis. A Project Management Unit (PMU) has been set up by IWAI in July 2014, with a mandate for the implementation of GJMV. To bring awareness and generate interest in the stakeholders, the IWAI have already conducted a number of interactive sessions with potential promoters and mariners.

**Inland Water Transport (IWT)**

Undoubtedly, the world over, IWT is considered the most economically viable, safe and efficient mode of transportation. The IWT is a competitive alternative and addition to road and rail transport, offering sustainable and environment friendly mode of transport, in terms of energy consumption, noise and gas emissions.

Inland waterways in India are underdeveloped for transportation despite the inherent advantages of fuel efficiency, environment friendliness, hinterland connectivity to less developed rural regions, and its capacity to shift large volumes of cargo from congested roads. Due to this setback, India’s transport
networks are severely constrained for efficiency and capacity. India must adopt a holistic approach in designing integrated transport networks, and with substantial logistics infrastructure which is yet to be built, India can still make amends to reach a more desirable and efficient state in its transport system.2

Policy Directives

Whilst presenting the budget for 2014-15, the Finance Minister announced that 16 new port projects are proposed to be awarded this year with a focus on port connectivity. He also said that development of inland waterways can vastly improve the capacity for the transportation of goods and so a project on the river Ganga called ‘GJMV or NW-1’ will be developed between Allahabad and Haldia. This would enable commercial navigation of up to 1,500 tonne vessels.3 The Ministry of Shipping (MoS) and IWAI are actively pursuing various plans and schemes to develop and facilitate promotion of maritime trade in the country. The government has a clear cut policy for improvement of seaports, coastal trade, inland navigation and hinterland connectivity through multimodal (Rail/Road/waterway) transport. To promote coastal shipping and inland navigation, the MoS has issued various directives for reservation of dedicated berths for coastal shipping, design of River Sea Vessels (RSV), certification and examination of Near Coastal Vessels (NCV) crew, etc. These RSV Class 1 and Class 2 vessels are successfully transporting imported coal from Kanika Sands (Bay of Bengal) to Farakka-Rajmahal NTPC plant since 2013. On 7 January 2015, Minister for Shipping has signed a MoU, where a deep draught port at Sagar Island will be developed jointly by Kolkata Port Trust and the West Bengal government. The minister said that the government with its ‘Make in India’ campaign is committed to provide multimodal transport connectivity to all parts of India.4 Expression of Interests (EOI) for operation of Coastal Ferries, Tourist ships, Catamarans, Ro-Ro services, Hovercrafts and Sea Planes on the Coastal Water and Inland Waterways was also sought by the ministry. The MoS has recently issued two policy documents viz. Vision Document for coastal shipping, tourism and regional development and implementation guidelines for Scheme for Incentivising Modal Shift of Cargo (SIMSC) to facilitate promotion of coastal shipping and inland waterways including various types of incentives to the stack holders for modal shift of cargo and infrastructures. The SIMSC will be applicable from 01 April 2015 to 31 March 2017.5
Role of IWAI and State IWT Department

IWAI is an autonomous organization under MoS constituted under the Act of Parliament on 27 October 1986 for development, regulation and maintenance of Inland Waterways declared as NWs in the country for shipping and navigation. The IWAI has a number of field offices, inland ports/terminals (with loading/unloading and storage facility), cargo vessels, tankers, barges, survey vessels, dredgers, tugs, work/house boats for facilitating safe transit facilities on inland waterways. Training and certification of crew and professionals required for IWT are provided by the National Inland Navigation Institute (NINI), Patna. The NINI was established in February 2004 to impart training to deck and engine crew, hydrographers, cartographers, river engineers, dredging experts, terminal managers and repair/maintenance of crafts. Some of the states like Assam, Bihar, Goa, Kerala, Maharashtra, Odisha and West Bengal have set up their own IWT department for development and regulation of state waterways under the Inland Vessels (IV) Act, 1917. Few states have IWT training facilities and other states are yet to set up training infrastructure and frame IV Rules for their personnel.

Initiatives by IWAI

The IWAI has been facilitating transportation of Over Dimension Cargo (ODC) and food grains from the east coast to Tripura through coastal shipping and India-Bangladesh protocol route. A record of 10,000 metric tons of grain was transported by October 2014. Jindal ITF Ltd., NTPC and IWAI under a joint partnership are facilitating transportation of 3 MMTPA of imported coal over 10 years from Kanika Sands to Farakka-Rajmahal NTPC plant using barges. In December 2014, IWAI floated a tender for supply of coal to NTPC at Barh. In October 2014, the government launched shipping services between India and Myanmar to boost the bilateral trade between the two countries. The IWAI have been conducting road shows to bring together maritime professional and potential IWT cargo shippers to highlight advantages, facilities and opportunities on the NWs. Interactive session cum workshops were organised at Patna, Varanasi and New Delhi on 12 August, 12 September 2014 and 20 January 2015 respectively. An IWT workshop and World Bank (WB) Summit was also organised at New Delhi on 26 November 2014, which was inaugurated by the Minister of State for Shipping and attended by officials from WB, MoS, IWAI and entrepreneurs.
from the maritime industry. These road shows and workshops indicate that MoS, IWAI, state IWTs and WB are working together to promote, develop and operationalise all the NWs for sustainable development.

National Waterways (NWs)

Under the Act of Parliament so far, five waterways have been declared as National Waterways (NWs). These are:

- NW-1: The Ganga-Bhagirathi-Hooghly river system from Haldia to Allahabad (1620 km);
- NW-2: The Brahmaputra from Dhubri to Sadiya (891 km);
- NW-3: West Coast canal from Kottapuram to Kollam along with Champakara and Udyogmandal canals (205 km);
- NW-4: Kakinada-Puducherry canals integrated with rivers Godavari and Krishna (1095 km), and
- NW-5: East Coast canal along river Brahmani and Mahanadi (621 km).

In addition, declaration of Barak River from Lakhimpur to Bhanga, a stretch of 121 km, as NW is under active consideration since 2006. The cabinet chaired by Prime Minister on 25 March 2015 gave its approval to enact a legislation to declare 101 inland waterways as NWs for navigation.\footnote{7}

IWT Potential

The IWT is operationally cheaper, fuel efficient and environment friendly. It has a vast potential to act as an alternate and supplementary mode of transportation in certain conditions. India has a large number of inland waterways which have the potential for development as efficient waterways transport networks. However, development of IWT has remained much below the desired level for a long time. As per the report of the National Transport Development Policy Committee (NTDPC), it has identified 14,500 km of rivers, inland waters, creeks and lakes for development of NWs. However, only 4,432 km have been declared as NWs so far.

Potential Cargo

There is huge potential for bulk cargo along the NWs, which can be transported to help economic development of different regions. The potential cargo are coal, fly-ash, cement, stone chips, edible oils and over dimension cargo for the stake holders like NTPC, FCI, Cement, Fertilizer and Edible Oil Companies.\footnote{8}

According to the Press Release issued on 25 November 2013, it was reported that at present 10 thermal power stations are
operational in the proximity of NW-1. Another 11 are expected to come up along the NW-1 in the next 5 to 8 years with the total installed capacity of 15,000 MW. The NW-1 is fully ready to cater to the transportation needs of NTPC and other industrial units for transportation of bulk cargo required for the plants located on the banks of the Ganga. Inland waterways also have the potential to create employment opportunities for people in the vicinity of waterways. All these power plants require large quantity of coal and it is well known that production of coal from the national coal mines as well as its distribution to various thermal power plants has been facing serious problems. Due to this the power production of the country has been affected badly. Mostly on this account, many thermal power plants have started using about 20 percent imported coal, which is more than two times costlier than the domestic coal. The IWAI has already commissioned a project with NTPC under which transportation of 3 million metric tonnes per annum of imported coal has started getting transported by IWT mode by Jindal ITF Ltd., from Kanika Sands to Farakka-Rajmahal NTPC plant. Encouraged by the success of this pioneering project, IWAI and NTPC are now working on a similar project of transportation of imported coal from Kanika Sands to Barh NTPC plant. Since thermal power plants are using domestic coal for 80 percent of their requirement and if this domestic coal can be brought by railways to a well-developed coal terminal/river port at a place along NW-1, it will obviously have tremendous potential to be developed as an IWT based multi-modal hub with domestic coal as the anchor commodity.

Development of National Waterway -1

The WB has undertaken a detailed study of the NW-1 stretch from Patna to Varanasi and recommended certain measures to increase the navigability of the stretch to 3 metre depth, to facilitate safe movement of 1200-1500 ton barges. These measures will require development of waterway with IWT terminals (Katwa, Sahibganj, Gazipur, Varanasi and Allahabad) with a LAD of 3 metre. In the annual budget of 2014-15, the government has allocated Rs 4200 crores to be spent in next six years towards NW-1. The WB has already carried out the technical study and prepared a feasibility report giving detailed plan of action for improving the navigable depth using dredging, construction of barrages and improvement in navaids including setting up of DGPS stations. Once the waterway is fully developed, it
is expected that barges up to 1500 ton capacity will be able to navigate safely. Fully developed waterway, in addition to IWT, will open this sector for tourism, recreation and sporting activities.

**Integrated National Waterway Transportation Grid (INWTG)**

Along with GSA and SBA; GJMV and INWTG have initiated great enthusiasm among the stakeholders. The planners, developers, transporters and shippers are engaged in partnership to develop various inland infrastructures like terminals, logistic hubs, road/rail connectivity, inland vessels building, dredging, hydrography, navaids, etc. The development, maintenance and regulation of NWs for safe navigation will be the responsibility of IWAI. Services like management and operation of IWT terminal, barges operations, dredging, River Information System, DGPS, logistics managements and shipbuilding have to be outsourced or jointly managed under PPP model on a revenue sharing basis.

**Road Ahead for Jal Marg Vikas**

The Narendra Modi government at the centre has taken the right steps to ensure that NWs are given the due importance they deserve to be at par with other modes of transport as being followed in USA, China, EU and other countries. The IWT sector which was one of the important transportation means connecting Kolkata with the North East through Brahmaputra and Kanpur/Agra through the Ganga/Yamuna during the British era will be revived and act as an important driver for sustainable growth. We need to appreciate efforts being put in by IWAI to create a Project Management Unit (PMU) for this important and dedicated project. Giving the required professional inputs and getting political approval for promotion of the IWT was due to the efforts put in by the Secretary, Shipping (MoS) and the Chairman, National Shipping Board. They all visualised the importance of IWT mode and its potential for economic growth of the country. Further, Chairman, IWAI, prioritised the implementation of the ongoing IWT projects and pursued the necessary approvals and priority funding from the government vigorously. It is estimated that when GJMV and INWTG are fully developed with required IWT and Logistics infrastructure, multimodal connectivity, LAD of 3 metre with 24 hour navigation facilities, it will boost the real economic growth in the country. When INWTG is fully developed by 2030, the IWT sector will provide employment opportunity in various professional fields. To have trained people available for various jobs,
MoS and IWAI have to augment IWT training at the NINI and at state IWT training institutes. The IWAI’s own Department Recruitment Rules and Promotion Policy needs to be reframed to ensure that qualified, experienced and certified river engineers, hydrographic surveyors, cartographers, deck and engine personnel, dredging and other professionals with necessary certification and grading as per IHO/IMO/DG Shipping/IV Act/State IV Rules are only allowed to operate and man the inland vessels and facilities, to ensure safety of river mariners. There is no doubt that Nitin Gadkari, Minister for Shipping, and his ministry will provide necessary directive and support for development of a professional and efficient IWT sector in the region, at par with other developed waterways of the world.

27 March 2015

NOTES

1 UNECE white paper on efficient and sustainable Inland Water Transport in Europe-2011.


7 See Times of India/Sea trade news 26 Mar 2015.


9 See http://www.iwai.gov.in/world bank assisted NW-1 project (River Ganga) accessed on 23 Jan 2015.
Cluster Theory and the Rise of Shipbuilding in South Korea

Akshita Mathur

According to Alfred Marshal, the pioneer of the cluster theory, “a cluster is a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities.” The important characteristics are economic interaction in a value chain, strategic inter-firm relations, specialization, co-operative competition, innovation and diffusion, and shared cultural context and interpretation schemes. On the basis of theoretical thoughts on geographic clusters, a rapidly increasing number of policy initiatives to support clustering of industries has emerged in many countries of the world. Clusters have linkages to related organizations such as trade associations, government agencies, and research and educational institutions. Related economic activity tends to agglomerate naturally for a variety of reasons, such as the presence of unique natural resources, proximity to markets and reduced transaction costs. The growth of shipbuilding in South Korea is a good case study of the concept of cluster theory.

South Korea has emerged as a top ranking country in shipbuilding. In the past, the country’s traditional shipbuilding industry was scattered along the coastal areas. South Korea’s shipbuilding clusters were initiated by three major conglomerates. Hyundai, which was the first initiator and constructed a large shipyard in Ulsan. It eventually became a dominant player in building large vessels such as crude oil carriers, LNG (Liquefied Natural Gas) carriers and drilling ships.

South Korea began by importing modern shipbuilding technologies from overseas, and over the years, internalized most of these technologies. It also undertook technological advancement domestically. It all began with strong governmental assistance, and today, the
South Korean shipbuilding industry has sufficient technological and financial capacity, which forms a large industrial cluster in the south eastern coastal area.

The shipbuilding cluster provides job, constitutes roughly 1.9 per cent of the country’s GDP and contributes to a large portion of overseas sales. The cluster established in the southeastern region is made up of four major city-regions, centered at Busan, Ulsan, Changwon and Geoje, and are controlled by Hyundai, Daewoo and Samsung. These are located in the same geographical cluster, and have set up strong linkages with their own sub-contractors. Busan is the second largest city and is a center of petrochemical, machinery, and heavy industries, including crude oil refining, shipbuilding, automobile and manufacturing. The entire region, stretching from Busan to Geoje, is also home to about eight million people and plays a key role in the modernization of the South Korea’s economy.

The South Korean shipbuilding cluster, however, is not a complete cluster in a true sense. Rather, it operates with strong extra-cluster linkages. A major proportion of labour and materials are mobilized from outside the steel plants. Large material inputs to the cluster are supplied from steel giant, POSCO, located in the city of Pohang. The engineers and scientists are recruited from other regions such as Seoul and Daejeon, where many high-ranking universities are located. Shipbuilding activities clustered in the south eastern region are characterised by production activities, while the Seoul and Daejeon regions, which are outside the cluster, provide high quality human resource.

The local government is an important enabler of cluster development, which can be specifically seen in the South Korean shipbuilding case. There is potential for the provincial government to play more effective role in reducing ‘red-tape’ inherent in government approvals, thereby stimulating the participation by local SME networks, attracting more national R&D establishments and professional associations located outside the cluster to relocate. The local government can also serve as a facilitator for companies engaged with local union leaders to shape a collective local work identity, based on the foundation of the shipbuilding cluster. While the central government needs to adopt certain minimum standards (particularly in streamlining R&D policies at a national level), the provincial government in these clusters plays a far more effective role in choosing public investment choices and drive implementation. The numerous challenges faced by the provincial
government in the shipbuilding cluster warrants a need for decentralisation of the central government’s role in the cluster.

It is thus fair to say that in South Korea, the shipbuilding industry is spatially confined, making it is easy for the industrial clusters to function effectively. The emergence of the cluster is not a historical happenstance, but more of a deliberate strategy adopted by the South Korean government.

17 April 2015
The Indian Prime Minister Narendra Modi visited South Korea on 18-19 May 2015 to deepen the cooperation between the two nations, as part of “Act East” policy. During his visit, he announced the forming of a dedicated mechanism for handholding the Korean investors named “Korea Plus”; this will facilitate Korean investments and operations in India. Mr. Modi focused on seeking investment and manufacturing support in the electronics, construction, railways, defence equipment, sea-port and shipbuilding sectors.

Indian shipbuilding industry could gain a lot from South Korea, which is the global leader in shipbuilding. The PM mentioned in the CEO forum at Seoul, that Korea’s shipbuilding capacity and India’s agenda of port-led development can become growth driver for both the nations. The importance laid by the PM on the shipbuilding sector can be appreciated from the fact that he also visited a shipyard “Hyundai Heavy Industries (HHI)” at Ulsan, during this visit. The PM’s announcement that Korean shipyards will participate and collaborate in India’s plan to acquire and manufacture Liquefied Natural Gas (LNG) tankers is a very welcoming one at this juncture, where India urgently needs LNG ship to fulfill her energy requirements.

M/s Gas Authority of India (GAIL) needs LNG tankers to transit around 5.8 million tons of LNG per annum to India from the US from December 2017, for the next 20 years. M/s GAIL, had tendered to charter nine newly built LNG ships, last year. However, this tender was postponed several times and put off in early 2015. This tender could not see the light of the day, since M/s GAIL has indicated in the tender that, three ships are to be built in India; no bidder was ready to risk with Indian shipyards, since none of them have the experience
of building a LNG ship. LNG vessels are “High Complex Ship”, because of their requirement to carry the gas in liquid form in subzero temperature (around -162°C). Construction of this ship, especially the LNG tanks using cryogenic material, requires specialized technology and very high quality standards. Very few countries and shipyards, across the globe, have the expertise to construct LNG carrier and amongst them, South Korea is a leading player. Within Korea, the following yards have a major share: M/s Daewoo Shipbuilding & Marine Engineering (DSME), Samsung Heavy Industry (SHI) and HHI have their order book position for constructing LNG ships as 53, 25 and 21 respectively as per recent Clarkson’s report. It was, therefore, essential for Indian shipyards to collaborate with South Korean shipbuilders.

The major Korean shipyards were initially not ready to collaborate with Indian yards, due to high technology associated with the construction of LNG ships. However, due to the persistent efforts from the Indian Government (with the recent visit of Indian External Affairs, Defence and Prime ministers) the Korean shipyards have agreed to collaborate with the Indian yards. Recently, a Memorandum of Understanding (MOU) has been signed between Cochin Shipyard and SHI; L&T shipyard and HHI, and another MoU between Pipavavand DSME is being negotiated. The other reasons, which facilitated such collaboration are (a) the high volume of Indian order (M/s GAIL is presently planning to hire 11 LNG tankers), which cannot be easily ignored at the current juncture, where global shipbuilding orders are on the decline, (b) the fact that these Korean yards are seeing their revenue eroding in the last few years, due to global meltdown in shipbuilding.

It is due to the efforts of the Indian political echelons that the Koreans are ready to collaborate with Indian shipyards. The next bigger challenge would be to evolve the finer aspects of these collaborations. The Indian PM has announced the decision to establish a Joint Working Group on shipbuilding, which would probably look into these aspects, which could be (a) scope of Transfer of Technology (ToT) between Korean and Indian yards; (b) source of raw material and equipment for the ships that are to be built in India; (c) Infrastructure, organization structure, project management skill and quality management system required for undertaking construction of LNG ships by Indian yard, etc.

Past experience with various Korean industrial Chaebols (LG, Samsung,
Hyundai, etc.) indicate that the Korean's guard their technology. They undertake R&D based on the requirement of the industry; for which they invest a huge sum of money. About three per cent of their GDP is invested for R&D. The Koreans may not like to quickly part away with the technology that they have acquired after intensive research. The challenge for the Indian yards would be to obtain this technology. Secondly, the Korean's do not like joint venture; most of the time they insist on managerial authority in the business that they execute. In 1996, when they entered into the Indian automobile and consumer sector, 100 per cent FDI rights were provided to them to set up factories. Would the Indian shipyards be able to do something akin to this?

In establishing any new collaborative approach, such questions always plague the minds of both the business partners. However, it is important that such collaboration yield a win-win scenario. We are hoping that the MoU that has been established for the construction and supply of LNG vessels will lead to a win-win scenario for both Indian and Korean shipyards and their respective governments. It is also hoped that the current visit of PM to South Korea will go beyond meeting the immediate requirement of LNG tankers, but being able to take care of future shipbuilding requirements of India.

26 May 2015
The Indian Ocean Region: In Pursuit of Blue Economy

Asmita Bakshi

The Indian Ocean has immense potential in providing sustainable livelihood and economic development to its littoral countries. Exploring marine resources for economic development while significantly reducing environmental risks and ecological scarcities has now come to be known as Blue Economy. There are many initiatives that have been taken up so far, since the evolution of the concept in 2012. As a further step in the series, the first Indian Ocean Rim Association (IORA) ministerial-level Conference on Blue Economy was held in Mauritius on 2-3 September 2015. Since the concept of Blue Economy provides a model of development that is ocean-based instead of solely land-based, and is better suited to the challenges and opportunities of the Indian Ocean rim countries. The key objective of the Conference was to understand and develop the concept of Blue Economy to help Indian Ocean Rim Association (IORA) countries to create new job opportunities and new livelihoods for the sustainable development of their huge populations. During this Conference, four priority issues were dealt with: fisheries and agriculture; renewable ocean energy; sea port and shipping and seabed exploration for hydrocarbons and minerals. Other priority issues relating to the Blue Economy such as tourism, marine bio-technology, research development, ocean knowledge, and Small Island Developing States (SIDS)/Least Developed Countries (LDCs) are likely to be discussed in subsequent conferences.

Twenty Indian Ocean rim countries participated in the Conference. They agreed on cooperation on the issues adopted in the conference. Since many countries in the region are among the poorest in the world — including island nations with their intrinsic characteristics and vulnerability levels — they have formulated and strengthened their national plans and strategies to encourage the Blue
Economy at the regional and national levels. This initiative can significantly assist them in eradicating poverty, promoting sustainable development processes, and improving the livelihoods of populations by enhancing resiliency and capability to deal with their specific and unique vulnerability. Nevertheless, during the last few years, the global food, energy and financial crises have slowed-down the rate of development in the region. Due to this global crisis, progress in terms of achieving the Millennium Development Goals is now threatened by slow and negative economic development resulting from decreased opportunities for trade, low resource base and insufficient aid from donor states.

It is recognized that the greatest threats to the development of the ocean economy in the region are poverty and the degradation of resources either from human activities (such as unsustainable exploitation or oil spills) or from natural causes (such as climate change). These challenges and restraints have hampered sustainable development practices in IOR countries. Therefore, the concept of a Blue Economy seems very significant in the case of Indian Ocean island states and other coastal countries. Some of island states like Seychelles and Mauritius have already taken several initiatives regarding the Blue Economy.

Recognising the importance of an ocean-based economy for island and coastal countries, the first IORA Conference has encouraged member states to enhance cooperation and coordination in various Blue Economy sectors like fisheries and aquaculture, renewable ocean energy, seaports and shipping, offshore hydrocarbons and seabed minerals. The Conference concluded with adoption of the IORA declaration with an emphasis on sustainable use of marine resources in accordance with international laws, including the Convention of Biological Diversity and the United Nations Convention on the Law of the Sea (UNCLOS); cooperation and coordination while collecting data on the ocean environment; and the sustainable development of the ocean economy.

As India is one of the major countries in the Indian Ocean region, having a long coast line of more than 8000 kilometres and an Exclusive Economic Zone (EEZ) of over 2 million square kilometers, smaller ocean states reckon that India can assist them by sharing knowledge and resources in the areas of sea ports, shipping, fisheries, and aquaculture. It could also help in creating a proper data base on ocean resources and analysing big data.

Though, such conferences are very significant for regional coordination
island and coastal countries of the Indian Ocean must search for more integrated and cooperative actions in the future which will enhance sustainable development. IOR countries suffer from poverty and poor infrastructure; they also lack skilled human resource and opportunities for employment. Consequently, they face difficulties in adopting a Blue Economy. In this context, the international conference on Blue Economy 2016 proposed by the Indian Prime Minister during India-Pacific Island Forum meeting in August 2015; the Second International Blue Economy Summit scheduled to be held in UAE in 2016, and the Second IORA Conference on the Blue Economy scheduled to be held in Indonesia in 2017 may be seen as an invigoration of regional efforts to promote the concept and practices of the Blue Economy. Such efforts would, however, need to be supplemented by the call by the region’s island and low-lying coastal countries for more strict and fair global action on climate change and its impacts such as sea level rise and increased frequency of natural disasters.

9 October 2015
Blue Economy: India Must Prepare for Sermon from Seychelles

Vijay Sakhuja

A few days from now, Prime Minister Narendra Modi will arrive in Victoria, Seychelles on four-nation Indian Ocean tour including Maldives, Mauritius and Sri Lanka. The visit to Seychelles is important for bilateral relations, which span the political, economic, cultural, and security matrix. The visit is also significant in the backdrop of growing Chinese naval presence in the Indian Ocean and Beijing’s influence on small island states through economic and military support including docking of Chinese naval vessels. Seychelles has assured that it would be “completely transparent” and other countries should not worry; it remains to be seen if Modi would bite into it and not raise the China issue with President James Michel during his discussions. However, one thing is for sure that Modi should prepare for a sermon on ‘climate change and Blue Economy’, the favourite subject of Seychelles president for which he has spent enormous diplomatic capital and also ensured that the subject is mainstreamed in domestic discourse and is part of the portfolio under a minister.

Seychelles has emerged as the global leader in promoting Blue Economy and has been lobbying the concept on behalf of the Small Island Developing States (SIDS). It has spearheaded the diplomatic offensive and attempted to redefine the geostrategic importance of the Indian Ocean through the prism of Blue Economy. It has argued for international support for the concept, which has found resonance among a number of countries, regional grouping, international organizations and above all the United Nations. These countries and groupings have welcomed the initiative, endorsed the concept and agreed to support Seychelles vision of development of oceanic resources in a sustainable manner for economic growth.
Last year, during a visit to India, Seychelles Vice President Danny Faure stated, “Our partnership in research and hydrographical surveys are also catalysts for a wider development of the Blue Economy…We cannot talk of economic development without talking of the support of India. We have an excellent relationship.” Prime Minister Modi is likely to endorse President James Michel’s pet subjects i.e. climate change and Blue Economy, and support Seychelles vision of Blue Economy; but the big question is how?

At the bilateral level, New Delhi can offer expertise in ocean sciences. It has highly developed interdisciplinary capabilities that extend across a wide spectrum of disciplines such as climate change, environment and ocean health monitoring, coastal protection and marine conservation, technology development, human resource training and skill development. It also has a proactive programme for the protection of coastal communities. The Indian Ministry of Earth Sciences (MoES) the nodal agency has led the Indian initiative in the oceans and has invested enormous intellectual, technological and human capital to study the oceans and the monsoons. India can offer Seychelles collaboration through marine research and innovation, eco-friendly ways to develop the SMEs for ocean resource development, assist in skill development, innovation, while protecting biodiversity and protecting the environment. India is one of the leaders in biotechnology, the industry is predicted to grow at an average growth rate of about 30 per cent annually and could be about US$ 100 billion by 2020. Joint development of ocean resources for blue biotechnology would contribute to Seychelles vision of Blue Economy for sustainable use of seas and oceans.

Blue Economy also presents a number of opportunities to integrate the economy of the Indian Lakshadweep Islands in the Arabian Sea with that of the Seychelles. The Lakshadweep is a group of 36 islands and generates 4,000,000 square kilometers of Exclusive Economic Zone. These islands are rich in biodiversity, possess a unique marine ecosystem and encounter similar challenges faced by the Seychelles. It will be useful for Lakshadweep Administration to adopt best practices followed by Seychelles and vice versa to harness the seas for sustainable fisheries, marine tourism, ocean energy, ocean related biotechnology and mineral mining. Perhaps, the cooperation could begin with ‘island to island’ exchange of information on Indian Ocean Tuna fish on issues such as satellite information of
potential fishing zones, development of deep sea fishing vessels and sustainable fishing policy and guidelines for conservation. Significantly, Tuna fishing and processing contributes nearly 5 per cent of GDP, 35 per cent of export earnings and seven per cent of jobs in Seychelles.

Seychelles is also leading the campaign against Illegal, Unreported and Unregulated (IUU) fishing through the multination FISH-i Africa project. The Lakshadweep islands can be part of the mechanism through plans for fisheries surveillance, which can be integrated with the existing arrangements for Maritime Domain Awareness (MDA) to counter asymmetric threats and challenges.

Similarly, both sides can explore building capacities of Seychellois and Indian fishermen through a fishery development bank and encourage common business plans. It can also be a model for other joint projects for an integrated regional maritime policy for smart, sustainable and inclusive growth through ‘sister island’ connections.

3 March 2015
Blue Economy: Harmonizing IORA Declaration and UN Sustainable Development Goals

Vijay Sakhuja

In September 2015, two significant announcements relating to ocean economy were made. The Indian Ocean Rim Associations (IORA) hosted the first IORA Ministerial Blue Economy Conference titled “Enhancing Blue Economy Cooperation for Sustainable Development in the IORA Region” in Mauritius and identified four priority areas (a) Fisheries & Aquaculture; (b) Renewable Ocean Energy; (c) Seaports & Shipping; and (d) Seabed Exploration & Minerals for development. The post conference declaration urged the member States to engage in the development of the above sectors and strengthen networking, exchange of experiences and best practices for the development of the Blue Economy in the region. The Declaration also made reference to the importance of the proposed UN led Sustainable Development Goals (SDGs) for the Blue Economy, especially for the conservation and sustainable use of the oceans, seas and marine resources for development.

Later that month, the UN announced the new Sustainable Development Goals (SDGs) aimed to ‘end poverty, protect the planet, and ensure prosperity for all and address Climate Change’ through integrated and indivisible Goals with 169 associated targets. Goal 14, titled “Conserve and sustainably use the oceans, seas and marine resources for sustainable development” lists 14 targets to be achieved over the next 5, 10 and 15 years up to 2030. These can be placed into two distinct baskets i.e. health of the oceans and fisheries. Goal 14 calls on States to reduce marine pollution, address the impacts of ocean acidification, conserve coastal and marine areas, and facilitate transfer of technology to improve ocean health and to enhance the contribution of marine biodiversity. As regards fisheries, it calls for regulated harvesting and to curb over fishing and illegal unreported and unregulated (IUU) fishing. Further, efforts must be made to provide access
to small-scale artisanal fishers to marine resources and markets.

A close reading of the two decelerations and the related documents suggests that there are a number of convergences in the agendas of the IORA and the SDGs which promote collaboration and cooperation for a balanced and sustainable development of ocean resources while keeping a close watch on the protection of coastal areas and the marine environment. The IORA has an expanded view on the development of ocean resources including non-living resources and services such as exploitation of offshore energy and seabed resources, development of marine related industries such as shipping, shipbuilding, marine tourism and other environmentally sound activities for the socio-economic development of the people. Another important feature of the IORA announcement is the prominence given to women in the agenda by empowering them through participation in micro, small and medium enterprises for ‘equitable and sustainable economic growth’.

The IORA and SDG also have a common view on the IUU fishing and call on States to address the issue through a stricter port control regime for inspections of vessels and to stop IUU catches landed at ports regardless of the flag they fly. It is useful to mention that IUU fishing is a major issue of concern and costs the global economy up to US $23 billion annually. As far as the Indian Ocean is concerned, nearly 18 per cent of the catch in the Western Indian Ocean and 32 per cent in the Eastern Indian Ocean falls under the IUU category.

Notwithstanding the convergences and the forward looking approach to sustainable development of oceanic resources, the IORA needs to harmonize its agenda with that of the SDG. This could be achieved by taking at least three initiatives. First, all action oriented agendas require to be assigned timelines by which, the member States should achieve the IORA’s vision. This is important because States have endorsed the UN SDG Goals and targets and committed to achieve these over the next 15 years and work “tirelessly for the full implementation of this Agenda by 2030”. Further, the States have agreed to the “central role in overseeing follow-up and review at the global level” by a “high-level political forum under the auspices of the General Assembly and the Economic and Social Council”.

Second, Blue Economy is science, technology and finance intensive and majority of IORA member States
are developing countries and may be constrained to achieve the desired end-state. IORA could explore a fund for Blue Economy through international and regional financial institutions such as the IMF, ADB, and the more recent AIIB.

Finally, the SDGs “acknowledge the essential role of national parliaments through their enactment of legislation and adoption of budgets and their role in ensuring accountability for the effective implementation of our commitments”. It is hoped that the Indian Ocean countries would be able to seek endorsement of the IORA’s Blue Economy agendas from the respective State legislative, executive and judicial organs.

6 November 2015
Maritime Initiatives and Cooperation
On the eve of his visit to China in end-March 2015, Indonesia’s President Joko Widodo indicated a desire to seek more details of ‘Maritime Silk Road’ (MSR) initiative so that he could endorse it. It may be recalled that the Chinese President Xi Jinping launched the MSR initiative during his visit to Indonesia in October 2013. For Beijing, Jakarta’s support for the MSR is crucial since in the coming years, Indonesia is likely to play a pivotal role in the geopolitics of the Indo-Pacific region.

Drawn from the erstwhile ‘Silk Road’ of the Han Dynasty era, the MSR concept represents a master-stoke of Beijing’s diplomatic manoeuvre. It aims not only to meet China’s economic objectives, but also uses ‘economics’ as an effective ‘camouflage’ to achieve its national objectives in the Indo-Pacific region. This essay examines MSR in the context of China’s likely grand-strategic objectives in the region, to assess how the concept transcends the domain of (pure) ‘economics’ into the (‘economics plus’) realm of broader geo-politics.

MSR helps China to propagate influence in its ‘periphery’ (the Indo-Pacific region), and possibly even beyond. For Beijing, such influence is an overarching strategic objective for various reasons ranging from the civilizational genesis of the ‘Middle Kingdom’, to the contemporary imperatives of Chinese statecraft.

For a ‘non-status quo’ power like China, among the foremost imperatives is the support (‘voice’) from its MSR partners at international and regional fora. Such support is necessary for China to shape the global order in its favour, and fructify its maritime and territorial claims. A concurrent need is to ‘displace’ the regional influence of the West, particularly that of the United States.

China’s regional influence is necessary for assured access to natural resources and
raw materials to feed its manufacturing industries. It is pertinent to note that Beijing strongly believes in the dictum of ‘flag follows trade’, and is well known for its ‘mercantilist’ approach to sustain its economic growth. Towards this end, China began engaging the African countries a decade before the MSR was conceived. For Africa, therefore, MSR is merely a platform to reinforce China’s larger geopolitical ends, rather than a medium to forge mutually-beneficial economic partnerships with the African countries, such as through outsourcing Chinese manufacturing and investments to develop their trade infrastructure.

China is also seeking to increase its defence exports to the regional countries. Between 2010 and 2014, China overtook Germany, France and the UK to become the world’s third largest arms exporter (exporting five per cent of global defence sales). But it lags far behind Russia (in the second place, exporting 27 per cent). The MSR could be useful to shift low-end Chinese defence manufacturing to the potentially large arms markets in the region. This driver transcends ‘economics’, and goes into the domain of Beijing’s ‘national-strategic’ objective to create security dependence of regional countries on China. Furthermore, Chinese-origin hardware being operated by countries in the Indian Ocean Region (IOR) would accrue strong military-strategic dividends for China in terms of sustenance of its naval forces in the Indian Ocean through overseas technical and ordnance support, virtually akin to ‘overseas bases’.

Lately, China has been increasingly assertive against its immediate and extended neighbours in Asia, including through the use of military force. MSR may offset the adverse effects of such politico-military assertiveness. Furthermore, leveraging the MSR and high economic stakes of Asian countries, China could control escalation of conflict in such scenarios, and compel these countries to acquiesce to Beijing’s will.

MSR may also be useful to counter the western theory of ‘String of Pearls’. Before MSR was launched, the Chinese laboured hard to convince the world that their port projects in the Indo-Pacific region were commercial, not strategic ventures, but few believed them. The MSR was the best way to make them realize the ‘truth’ in what the Chinese were ‘always saying’. Concurrently, it would enhance China’s options for using the maritime facilities in IOR for replenishment of its naval forces engaged in peace-time missions (like counter-piracy) and also short-of-war
contingencies (akin to the US concept of ‘places’, not ‘bases’).

The MSR may be seen as a response to the US ‘rebalance’ strategy that seeks to ‘contain’ China within East Asia. At the geopolitical level, the US containment involves economic and diplomatic elements. The former seeks to isolate China through creation of US-led blocks such as the Trans-Pacific Partnership (TPP). The latter seeks to isolate China through politico-diplomatic engagements with regional allies like Japan, ‘partners’ like India and other littoral countries.

The US ‘rebalance’ strategy has a substantial military-strategic element as well. The US strategy seeks a military-strategic containment of China through increasing military presence in the Western Pacific, and its ‘Joint (operational) Concept for Access and Maneuver in the Global Commons’ (JAM-GC). The MSR may be seen as a ‘strategic distraction’ to the US ‘rebalance’. Through MSR, China could seek to project its naval power into the IOR, which could release the US military strategic ‘pressure’ in China’s backyard. Towards this end, although the current enunciation of the MSR concept is devoid of a ‘maritime security’ element, ‘security’ could become a credible alibi for China to increase its naval presence in the IOR. Notably, however, for its naval access to the IOR, Beijing would need the support from Indonesia that sits astride most of Southeast Asia’s maritime choke-points. It may be recalled that in February 2014, a PLA Navy task force crossed the Indonesian straits of Sunda and Lombok to conduct unprecedented and unannounced exercises off Australia. For MSR, therefore, the significance of Jakarta’s support cannot be overemphasized.

16 April 2015
India’s Approach to China’s Maritime Silk Road: An Alternative View

Gurpreet S Khurana

In his December 2014 pre-election manifesto, Sri Lanka’s President Sirisena had expressed his intent to reconsider the US$1.4 billion Chinese-funded project to develop Colombo port. However, the visit of Chinese ‘special envoy’ (Liu Jianchao) to Sri Lanka in early-February 2015 led to a “careful assessment” of the issue, following which, the Sri Lankan government has indicated that it is likely to go ahead with the project.

The Colombo port project has been essential for the ‘Maritime Silk Road’ (MSR) initiative of the Chinese President Xi Jinping. But this success for China may be only the first step in the implementation of MSR, with more to follow. Many other countries in India’s maritime neighbourhood – Bangladesh, Indonesia, Kenya, Maldives, Pakistan, Thailand et al – are on the MSR bandwagon. In the context of this trend, this essay examines India’s approach to the MSR concept, and presents an alternative to the prevailing mainstream view in New Delhi.

Invoking the ‘ancient’ Chinese contribution to Asian seaborne trade and cultural linkages, the MSR concept essentially involves China helping its partner countries to develop their port infrastructure to enhance trade connectivity, and to establish manufacturing and free-trade zones in the hinterland, with attendant economic incentives. The MSR initiative is thus proposed as an economic concept. However, even as its specific details are yet unclear, its multi-dimensional strategic intent and wide-ranging ramifications cannot be ignored. India’s response to MSR has been guarded; and understandably so, owing to the adversarial potential of its relations with China.

While India has not yet rejected China’s MSR proposal, a preliminary assessment – outlined in the succeeding text – indicates that there may be a case
for New Delhi to consider the MSR more objectively. The assessment needs to factor both economic and security considerations.

**Economics**

As the largest manufacturing economy in the world, China’s impressive economic growth in the past few decades has led to rising incomes and better lifestyles, but also slowing down of its exports due to rising production costs. China seeks to address this conundrum by outsourcing manufacturing to its MSR partners. For India – given its advantages in terms of the relatively low cost of labour and raw-material – this presents an opportunity to strengthen its manufacturing base, propagate its ‘Make in India’ campaign, and generate employment opportunities. The prevailing cynicism against shifting China’s ‘sunset industries’ to India purely on environmental considerations may be akin to ‘throwing the baby out with the bathwater’. Considering that China’s industrial capacity is at least two decades ahead, Indian industries could leapfrog in the same way that the Southeast Asian economies did in the 1980s on the back of ‘outsourcing’ by Japanese multinational companies. Commonly referred to as the ‘Flying Geese Paradigm’, the sound logic for such ‘outsourcing’ was based on comparative advantage and market rationalism.

On the other hand, if New Delhi opts to stay out of the MSR, India’s industrial growth will lag behind its Asian neighbours – most of which are China’s avowed MSR partners – thereby adversely affecting India’s economic growth and developmental plans.

India also needs to overcome infrastructure-related constraints to enhance connectivity for its overseas trade, which contributes substantially to the national economy. Notably, in 1990–91, India’s external trade accounted for a mere six per cent of the GDP, which rose to 52 per cent by 2010–11. The MSR could be an effective maritime supplement to the land-based Bangladesh-China-India-Myanmar (BCIM) Economic Corridor under active consideration by New Delhi. It could be dovetailed with India’s own ‘Sagarmala’ project, and thereby contribute to the nation’s efforts to enhance sea-trade connectivity, while also progressively leading to ‘port-led development’ of the hinterland, and the SEZs. The MSR may also help India to develop its ‘blue economy’ through bolstering its marine industries and ship-building capacity.

**Security**

China’s military-strategic intent behind the MSR cannot be discounted. The unprecedented docking of a PLA
Navy submarine at Colombo port in September 2014 is a bellwether for future developments in the Indian Ocean. China is likely to seek naval access to the maritime infrastructure that it is helping to create, thereby increasing its strategic presence in India’s primary areas of maritime interest. The PLA Navy could seek replenishment facilities in Chittagong, Colombo, Gwadar, Hambantota, and so on. The question arises: what can India do to prevent this? India could possibly try to use its leverages with the IOR countries; but these are hardly adequate vis-à-vis the economic attractiveness of China’s MSR. Notably, even Bangladesh and Maldives have opted to support the MSR, and with Pakistan, India has no leverage at all. Hence, the progress of the ongoing developments seems inevitable, over which, New Delhi seems to have little control.

On the other hand, permitting a Chinese company to develop an economic zone – comprising a port-hinterland complex with manufacturing hubs – in an appropriate location in India would entail considerable Chinese investment in terms of finances, technology and possibly, skilled human resource. This would lead to China developing major stakes in India, which would contribute to the latter’s national security through ‘dissuasion’.

It is important to note that in the present times of national technical means and stand-off non-kinetic offensive weapons, national security cannot be achieved through physical barriers, including denying Chinese companies / entrepreneurs’ access to Indian production and distribution hubs.

Understandably, India has been cautious with regard to its critical logistic infrastructure including ports and port-connectors, which it calls ‘strategic sectors’. However, the strategic value of a facility depends upon the context. A ‘generic’ designation of sea-ports as ‘strategic’ may not be appropriate. Hence, a selected site on Indian coast allocated to a Chinese company for port construction need not be designated as strategic. An apt parallel is New Delhi’s ‘active consideration’ to connect the (otherwise ‘strategic’) road infrastructure in India’s north-eastern states to the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC).

Though the MSR is Beijing’s initiative, its historic roots are not exclusively Chinese. MSR represents the ancient maritime inter-linkages within Asia, which closely followed the regularly-reversing Monsoon winds, thereby enabling sea-borne commercial and cultural exchanges across Asia. India’s
support to the MSR concept would, therefore, serve to propagate Asia’s ‘rise’ and integrate Asia economically. In the process, it would create mutual dependence, and thereby contribute to regional stability and prosperity.

On the contrary, with the regional countries supporting MSR on the back of growing regional economic integration, India’s exclusivist approach would lead to its marginalisation, thereby helping China to ‘displace’ India’s influence in its own backyard.

17 February 2015
South Asia on the Maritime Silk Road: 
The Beijing Consensus Reconsidered

Rana Divyank Chaudhary

“In global community terms, the person who walks around rattling locks, checking alarms and catching the bad guys is called the policeman. The person who worries about everything else is called the mayor.”
Joshua Cooper Ramo
(The Beijing Consensus, 2005)

The ‘21st Century Maritime Silk Road’ (ershiji shiji haishang zichou zhilu), hereafter MSR, is both a masterstroke in China’s symbolic diplomacy and an unprecedented economic outreach strategy. Chinese foreign policy seeks to go global and is keen on innovative strategies commensurate with its growing capabilities. China has also demonstrated the capability to follow rhetoric with implementation efforts. Without a doubt, this is to make up for the decades of self-imposed reticence in global affairs while the country underwent reforms and an arduous modernization phase. The unveiling of the MSR project by the Chinese leaders encapsulates this goal.

At its outset, the MSR seems ambitious in its geographic coverage and could be faulted for overlooking the myriad of geo-political constraints and region-specific hurdles in its way. But, building upon existing partnerships and the enhanced capabilities showcased by China’s current set of leaders, the implementation of the project does not seem far-fetched. In this regard, the prism of the ‘Beijing Consensus’ (beijing gongshi) would be useful to plot the likely trajectory of the MSR as one of China’s most high-profile strategic initiatives and its attendant consequences. Viewed from within the South Asian region, the MSR is a useful case to critically recast the concept of Beijing Consensus and expand its analytical reach.

Therefore, two key questions to be answered here are: (a) How are the concept’s tenets relevant to a prognosis of the MSR’s development in South Asia?; and (b) How do the changing
emphases of Chinese foreign policy alter the ‘Consensus’ in Beijing’s favour?

Revisiting the Consensus

In 2004, the ‘Beijing Consensus’ was coined to mark the increasing acceptability abroad of the attractive components of Chinese economy and its growth model. It drew upon China’s resounding success in indigenizing two crucial engines of rapid economic growth – enterprise and innovation. It was exemplified by industrial modernization and wealth generation on a gigantic scale without losing focus of absolute political stability and social order. The phenomenon signified that totalitarian political systems could still retain legitimacy in a globalized and purportedly uniform liberal world order by fusing economic pragmatism with centralized decision-making. Thereafter, its consequences have surfaced in China’s external relationships and its manoeuvres in a unipolar international system.

Despite being non-conciliatory towards smaller and less capable neighbours on thorny issues, China places a high premium on economics in foreign policy towards the key regions of its interest. Coincident with China’s growth story has been the notable receptivity of the developing economies of Africa, Latin America, and parts of Asia, to Beijing’s economic overtures. Ostensibly, these states are trapped within the fault-lines that economic globalization and attendant wealth creation have failed to bridge. They also share several issues of intractability i.e., unstable polities and weak governance structures; lack of capabilities to attain economic self-reliance; internal security challenges and militarism; and authoritarian ruling elites in many cases. For them, engaging China has served as a way out of the Washington Consensus and its gate-keeping institutions (World Bank, IMF, etc.), which emphasize trade liberalization, deregulation, and decentralization. China epitomizes the Asian development model and the validity of pragmatism and autonomy for economies starting from a low level of development.

Although, it has been debated whether the ‘Beijing Consensus’ is accurate about Chinese economic exceptionalism, it certainly captures a quasi-Sinophilic turn and tendency in the Third World. At a time when China’s international profile is rising, this brings to fore two conclusive takeaways: (a) Due to its economic prowess, China now wields an asymmetric advantage vis-à-vis the United States and other great powers; and (b) China can bypass its external containment in world
politics by employing this advantage in regions where states are characteristically susceptible to its influence and pre-disposed to favour it.\(^3\)

Consequently, the Beijing Consensus is relevant to extrapolate issues of strategic consequences driven by the changing characteristics of Chinese foreign policy. Its predictive power continues to be in gauging China’s regional and global outreach despite adverse perceptions, its own limited hard power, and the overarching primacy of the United States. The hype foreshadowing the ‘One Belt and One Road’ (yidai yilu) initiative, its maritime element, and the Chinese efforts to actualize it, resonate with the model’s core formulations.

**The South Asian Context**

The MSR (See Figure) holds significant ideological and political implications for South Asia. Much has been said about China’s ‘String of Pearls’ which mapped the Beijing-supported port infrastructure projects in Myanmar, Sri Lanka, Pakistan, and so on. It is worth noting here that the Chinese projects have also faced resistance and delay in some cases.\(^4\) The onset of political reforms in Myanmar since 2011 and improvement in relations with the West, and the recent political transition in Sri Lanka in 2015 suggest similar trends.\(^5,6\) Yet, China engages in bilateral partnerships with all the South Asian littorals in varying capacities. Barring India, all of these states also have shared politico-economic and security vulnerabilities and a favourable disposition towards China’s gradual advent into the regional maritime space. Further, China is also nodal to multilateral groupings such as the Bangladesh-China-India-Myanmar Forum for Regional Cooperation (BCIM). India is also tied to China by the Brazil-Russia-India-China-South Africa (BRICS) and its associated projects and funds.

In India’s case, the MSR discourse is already reinforcing earlier narratives about the Chinese attempts of strategic encirclement to an extent.\(^7\) The security dimensions of Chinese investments in South Asia constitute a sustained debate within the region. Moreover, it has caused fresh concerns in New Delhi about trailing behind its primary ‘rival’ besides missing an opportunity to foster economic connectivity in the developing world far beyond its shores. The Indian Prime Minister Narendra Modi has toured widely and pitched the idea of India taking greater responsibility for the prosperity and stability of the Indian Ocean Region (IOR).\(^8\) In addition to endorsing the
region’s shared ethno-cultural heritage, he has reiterated India’s sensitivity to the interests of smaller states in the region. This is a significantly proactive and inclusive consensus-building approach. Whether this would serve as a counter to China’s economics-centric materialist initiative or be complementary to it would depend on India’s future move with respect to the MSR. China has, indeed, mooted the concurrence of the two approaches and the scope for cooperation with India.9

Consensus, ultimately, requires the hallmark of voluntary acceptance. Fears of Chinese coercion and biased selectivity can undercut a nascent South Asian consensus. Conversely, achieving such acceptance in its most populous Asian neighbourhood, which is also nested between both the ‘Belt’ and the ‘Road’ versions of the Silk Route, would give a great fillip to China’s economic diplomacy. While parts of Europe too have shown willingness to collaborate in the landward ‘Silk Road Economic Belt’ (sichou zhilu jingji dai), obtaining India’s cooperation for the MSR would be the high watermark of Chinese influence in South Asia and the IOR.
India's support for the initiatives, as already argued for in some quarters, would further enhance the Beijing Consensus's currency. In addition, the endorsement of a high-value Chinese initiative by a liberal market economy would also dilute the Consensus's ideological hue. Furthermore, forging a South Asian consensus supplants China's responsibility with respect to international burden-sharing and highlights its constructive efforts for regional and global prosperity and stability. It counters accepted strategic wisdom that to balance against India, China draws other South Asian states away from New Delhi through its diplomacy, military support, and economic concessions. The MSR's progress would also downplay China's visible assertiveness in the disputes in East and Southeast Asia and serve as a decisive diplomatic counter to its detractors.

The conditions in South Asia and the Asian security environment augur positivity for the Chinese initiative despite known hurdles. The US's rebalancing towards Asia and China's troubles in East and Southeast Asia vividly contextualize Chinese interests in South Asia and the asymmetric potential of its economic leverage. In this respect, the introduction of a Chinese proposed-organized-funded-moderated trade and commerce network to the South Asian milieu appears intuitive and fits the puzzle espoused by the Beijing Consensus. Compared to the other regions, where China's contentious maritime interests and claims tend to create sharper divides, South Asia's geographic discontinuity and India's presence as a self-secure anchor would, in fact, give the MSR a counterweight and facilitate its soft landing. China's cooperative forays into South Asia have also elicited eager soft-balancing efforts from India. Hedging between the two giants by smaller states would keep the regional economic power play stable. Evidently, the MSR traverses overlapping spheres of inter-state relations in this region.

**Recasting the Consensus**

The Beijing Consensus is poised to enter South Asia albeit in an adaptive sense. The arguments given above present a case for recasting this model to make it more perceptive of the changing ideological and political elements of Chinese foreign policy. Firstly, it might no longer be relevant to pitch the model in terms of a specific typology of states aligning with China. China itself shifts away from the 'no-strings-attached' treatment towards its smaller partners in favour of greater material
gains and political leverage. Secondly, unlike its present form, an adapted Consensus does not harbinger the definitive decline of existing alignments, international institutions, and regional orders owing to China’s prominence. Instead, it captures the changing and new foundations of China’s diplomatic agenda. A refashioned model would also provide with an outline of China’s new external partnerships and support networks.

Interestingly, if the MSR takes shape, it will create channels for global influences to reach China’s doorstep as well. Following the scholarly line of argument, which depicts China as a status-quoist power, enhanced connectivity with the world deepens Beijing’s socialization within the international system. This leads to a benign decentring of ‘Beijing’ from the ‘Consensus’ even as the network of China’s consenting partners grows bigger and more complex. Such an outcome certainly seems desirable from the Chinese perspective. The lion’s share of China’s relative gains is predicated on smoothening resistance and cultivating favourable perceptions abroad. The MSR constitutes China’s thrust to achieve these ends by creating and coalescing parallel inter-state and regional networks within the present international order. On offer to China’s new partners are greater equality of status and autonomy in collaboration. This significantly tempers the gatekeeping powers of prevailing institutions and of the states that currently enjoy dominance in them.

24 March 2015

Notes
2 Ibid., p. 35.
3 Ibid., p. 3.


9 “China says ‘Mausam’ can be linked to ‘One Belt One Road’,” Deccan Herald, March 5, 2015, National Section, http://www.deccanherald.com/content/463755/china-says-mausam-can-linked.html (accessed March 18, 2015).

China’s ‘Africa Push’ For Its Maritime Silk Road Initiative

Antara Ghosal Singh

Chinese president Xi Jinping introduced the idea of the 21st Century Maritime Silk Road (MSR) during his visit to Indonesia in October 2013. The initial emphasis was to strengthen ties between China and Southeast Asian countries while pursuing the common goals of economic prosperity. Since then the scope of the project appears to have widened and several countries in South Asia, Asia Pacific and even Europe have supported the initiative. The thrust of MSR has now shifted to Africa and there is an ongoing campaign among the Chinese strategic community to incorporate African countries into the project and take the initiative beyond Asia to the coast of Africa.

Background of Chinese involvement in Africa

China’s engagement in Africa has a long history. However, under the Xi-Li leadership, China-Africa relationship has now been fast-tracked. In 2014, President Xi Jinping visited Tanzania, South Africa and Republic of Congo as a part of his maiden overseas tour symbolising the continent’s rising importance in Chinese foreign policy. Premier Li Keqiang undertook a four-country tour visiting Ethiopia, Angola, Kenya, and Nigeria and 13 African leaders visited China during the year.

More recently, in 2015, the Chinese Foreign Minister Wang Yi, as a part of his ‘customary beginning-of-year Africa trip,’ visited five nations—Kenya, Sudan, Cameroon, Equatorial Guinea and the Democratic Republic of Congo—to lay the ground for further economic integration with the continent in the future. China recently established a permanent mission to the African Union headquarters in Addis Ababa, Ethiopia and is planning to upgrade FOCAC (Forum on China-Africa Cooperation, the framework for China-Africa co-operation) into a summit level engagement between leaders of both sides.
The China-Africa bilateral trade is set to cross US$200 billion and China has successfully maintained itself as Africa’s largest trading partner during the past five successive years. At the heart of the China-Africa engagement is infrastructure development. China claims to have completed 1,046 projects in Africa, built 2,233 kms of railways and 3,530 kms of roads. It is one of the most active players in the key sectors of the African economy such as aviation, highways, railways, telecommunications, and power projects. The proposed 1,402 kms coastal railway in Nigeria (China’s largest overseas project so far), the ongoing Mombasa-Nairobi railway in Kenya and the Addis Ababa-Djibouti rail projects in East Africa are some of the noteworthy Chinese investments in Africa.

Maritime Silk Road and Africa

Interestingly, Chinese involvement in Africa has so far never been projected as a part of its ‘One Belt, One Road’ initiative (the umbrella initiative of which MSR is a part, the other being the Silk Road Economic Belt). In fact, it is recently, especially after Wang Yi’s visit to Africa, that the idea of a possible link between MSR and Africa is being examined and discussed within the Chinese strategic and political circles.

For instance, at the ‘International Seminar on the Modern MSR’ organised in Fujian Province, China, Zhang Baozhong, the Deputy General Manager of the overseas department of China Communications Construction Company Limited (a subsidiary corporation of this company is in charge of the construction of Mombasa-Nairobi railway project) stated that the new rail line that his company is constructing will be crucial in connecting Nairobi and, eventually, the entire hinterland of East Africa with the maritime trade route passing through the Indian Ocean.

Justin Yifu Lin, a former chief economist and senior vice-president at the World Bank, and now a professor at the Peking University, publicly advised China to include Africa in the MSR initiative and encourage the transfer of its labour-intensive industries to the continent.

He Wenping, another research scholar from the Chinese Academy of Social Sciences, seconded this opinion and argued in his article in the Global Times that, from a macroscopic perspective, China’s ‘One Belt and One Road’ initiative and Africa’s own ‘Development strategy in the 21st century’ share the same spirit. And it is time the two strategies should be combined to add a new momentum.
to Sino-African ties and also to South-South cooperation.¹⁰

Further, to include African countries in the project, Chinese scholars are even willing to rebrand the idea of ‘One Belt, One Road.’ Some of them are of the opinion that the original Chinese phrase for the ‘Belt and Road’ initiative, that is, *yi dai yi lu*, is a ‘pregnant Chinese expression’ which has multiple meanings and interpretations. The strategic proposal has so far been interpreted as ‘a pan Asian connectivity agenda,’ but it has a much bigger appeal and relevance. So they suggest that from now on MSR should be interpreted as ‘Modern Silk Road’ or, even better, as ‘Asia-Africa-Europe Infrastructure Plan,’¹¹ given its ultimate objective to connect these three continents through railways, roadways, maritime routes and internet.

The Chinese Blueprint for Africa?

In spite of the growing popularity of the 21st Century MSR initiative, speculations abound regarding its exact layout and design, the real vision and mission, the mechanism of implementation and possible implications for the world.

Now that the project is expected to encompass the African continent, three questions arise: (a) How exactly will Africa figure in China’s MSR Programme; (b) Which countries in Africa will be incorporated in this plan; and (c) How will a blueprint for MSR in Africa possibly look like? Fascinatingly, there are many answers to these questions.

Beijing’s official and original graphic for the 21st Century MSR resembles the map depicted in Figure 1 below. It is actually a replica of the old maritime route dating back about two thousand years. In ancient times, Chinese merchants started from China’s east coast, sailed through Southeast Asia, the southern part of India and Eastern coast of Africa all the way to the Persian Gulf and the Red Sea, developing economic and cultural ties along the route.¹² Zheng He, an ancient Chinese navigator from the Ming dynasty (1368-1644) followed a somewhat similar route and made his first contact with a coastal city in Africa, what is now Mombasa, in Kenya. Admiral Zheng’s guanxi with Africa, some 600 years ago, is often propounded by the Chinese leadership to validate and enhance China’s ties with Africa. Some Chinese scholars believe that the modern day MSR will not be very different from Admiral Zhang’s Africa blueprint.

However, to some, in both Chinese and international strategic community, the above graphic is a much simpler version of a larger game plan by the Chinese side. They believe that African
countries like Kenya and Djibouti will have a much bigger role to play in the Chinese scheme of things. In addition, they say, China is funding and developing key ports in Tanzania, Nigeria, Mozambique, Madagascar and Seychelles. However, it is not merely port development, but also local infrastructure development and connectivity within Africa which is one of the top priorities of the Chinese in the continent. One Chinese scholar notes that while transporting a cargo container from Shanghai to Mombasa costs less than US$ 500, transporting the same from Mombasa to Nairobi costs US$ 1,500 due to poor infrastructure. So it is addressing this transportation challenge and connecting the vast hinterland of Africa to its MSR project that makes for China’s long term plans in the African continent.

However, other commentators like Brian Eyler of IES Abroad, Kunming Center at Yunnan University, go a step further and endorse the view that China’s MSR initiative is ‘all about Africa’. In his article in the portal East by South East, he argues that the main objective of the MSR is to support and facilitate trade between Asia and Africa, and not between Asia and Europe as was projected earlier. His argument is that trade between China and Europe has stagnated at US$ 530 billion for the last couple of years, whereas China-Africa trade is on a constant rise and is projected to reach US $ 400 billion.
in coming years. China sees this as an opportunity and is poised to capitalise on the same. But it cannot operate the MSR all the way to Africa all by itself and, thus, needs others, especially in Southeast Asia for port facilities and export goods, while itself sitting at the helm of the network, receiving the biggest share of income and resources from the setup.\(^{15}\) In addition, China also wants to avoid the vulnerable Straits of Malacca and is, therefore, exploring an alternative route connecting the Yunnan province all the way to African coast through Myanmar, Thailand and Laos.\(^{16}\)

It has been reported that China and some other Southeast Asian countries including Thailand are already working together to develop 12 strategic ports which will receive and distribute cargo shipped along the MSR. Seven of these ports, reportedly, will be located on Africa’s coastline and these are Djibouti, Dar es Salaam (Tanzania), Maputo (Mozambique), Libreville (Gabon), Tema (Ghana), Dakar (Senegal) and Bizerte (Tunisia).\(^{17}\)

**Possible Reasons behind the Africa Push**

Although the layout for Africa’s inclusion in the proposed MSR plan is still
unclear, however, an overall consensus in the strategic community, both within and outside China, is that the MSR project will no longer bypass the African continent. It is useful to examine why the MSR initiative is undergoing this sudden Africa tilt.

Economic necessity can be one possible reason. In fact, economics has always been the cornerstone of Africa-China relationship. The need for a more detailed economic cooperation between Africa and China has never been as urgent as it is today; especially for China’s own economic transformation.

China so far has been investing most of its huge foreign exchange reserves in buying US government bonds. But it now wants to diversify and invest in infrastructure construction across the world, a policy which it believes will deliver higher returns and will also
help address the large overcapacity in construction materials that it has developed at home.\textsuperscript{18} And, when it comes to infrastructure construction, nowhere else in the world the need for infrastructure is so dire as in the developing world, especially in the African continent. Huang Jianhui, Deputy Director of the Center for Financial Research and Development, China Development Bank, writes in the China Daily that no less than US$ 7.5 billion is required to be spent, on an average, on infrastructure in Africa each year, which is far beyond the $1 billion loan the World Bank has advanced in 2011 and this creates great opportunities for Chinese construction companies.\textsuperscript{19}

Not just that, rise in labour costs in China is also weakening its industry’s comparative advantage and relocating its labour intensive industry to new places is becoming more of a necessity today. Africa, with a large number of surplus labourers, whose wages are a small fraction of their counterparts in China, is often looked at in the Chinese policy circle, as the right place for industry transfer on a large scale.\textsuperscript{20}

Energy security and supply of resources can be another important reason. Michelle Ndiaye, Director Africa Peace and Security Programme at the Institute for Peace and Security Studies, interpreted the move as a part of China’s oil diplomacy.\textsuperscript{21} She noted that tapping the oil industry in Sudan and South Sudan is one of the key reasons for incorporating Africa in the MSR initiative. China is presently mediating a peace process between Sudan and South Sudan and also between different factions involved in the South Sudan conflict.\textsuperscript{22} Although Chinese involvement in the Sudan-South Sudan crisis has been criticised at different platforms for being driven by self interests alone, but the Chinese side maintains that their stand is a part of China’s responsibilities and obligations as a responsible world power and not because of any self-interest.\textsuperscript{23}

Other than this, the latest developments around the MSR project can also be a trigger causing the Chinese to change its course and pass through the backyard of Africa. Although the initiative is projected to have received an overwhelming support from more than 50 countries\textsuperscript{24} in the world, still it has always been at the centre of controversies and criticism.

First, the ‘One belt, One Road’ initiative, of which MSR is a part, has been criticised as ‘China’s Marshall Plan’\textsuperscript{25} which is supposedly meant to serve China’s larger ambition of becoming a dominant power and challenging the traditional ones. Second, there has been
much negative publicity and criticism in the international media about the quality of Chinese investments abroad, especially after the MSR project along with other Chinese overseas investments have started running into trouble in certain partner countries like Sri Lanka, Greece, and earlier in Myanmar and Mexico.

Given the Chinese sensitivity towards its self-image and aversion to criticism, this negative publicity has not gone down well among the Chinese policy circle. The Chinese media is abuzz with articles accusing the Western countries in hyping up Chinese project failures, the West being green eyed towards China’s ‘grand going-out’ strategy and reiterating China’s stand that the ‘Belt and Road Initiatives’ is no ‘Marshall Plan’ in substance and that China’s gain is not at the loss of others.

Interestingly, a section within the Chinese scholarly circle has been rather vocal about China’s limited success in the realm of overseas investment. They note that China, in-spite of being the world’s second-largest source of outbound direct investment, has more than half of its overseas investment projects which are non-profitable. They caution the government that ‘blindly pushing Chinese domestic enterprises to invest overseas under the Belt and Road Initiatives is unlikely to produce satisfactory results.’ An urgent need to incorporate pragmatism, perseverance and prior local awareness in China’s overseas investment approaches is being strongly advocated by these scholars.

Under such circumstances, it is only likely that the Chinese leadership will be looking for more support and endorsement from newer sources in the international community for its flagship initiative of MSR. In this regard, Africa has been a time-tested source of steady allies for Beijing throughout history, supporting China repeatedly, both in the case of international and domestic crisis. Be it inclusion in the Security Council or the Tiananmen Square incident, or the One China Policy, African countries’ support has always been crucial for the leaders in Beijing. In that perspective, it is not impossible that Beijing will be vying for African countries’ support this time as well to add more credibility to the initiative and veer more domestic and international support and acceptance for the same.

Therefore, it may be inferred that no matter how it is called - a pan Asian connectivity agenda, Modern Silk Road or the Asia-Africa-Europe Infrastructure Plan, the underlining fact remains that Xi Jinping’s 21st Century Maritime Silk Road Project is actually ‘A Silk Road
with Chinese Characteristics.’ True to Chinese practice, it is unlikely to have a set path or affiliation; Rather it may meander in any direction and lean on any side, so long as Beijing’s interests are secured at the end.

28 March 2015

NOTES


5 See footnote 2.


7 See footnote 2.


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14 See footnote 8.


17 See footnote 16.


20 See footnote 18.


25 Under the Marshall Plan, financial aid was offered by the US to the European and Asian nations to help rebuild their economies in the aftermath of World War II. It was largely aimed at containing the expansion of the Soviet Union and other communist countries.


Debating Security Dimension of China’s 21st Century Maritime Silk Road

Raghavendra Mishra

China’s Ambassador to India recently 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. Less than a month earlier, he had laid out the broad contours of the land-centric Silk Road Economic Belt (SREB) in his September 2013 address at the Nazarbayev University, Kazakhstan. Both these initiatives draw upon China’s glorious civilizational history, its past status as a ‘global great power’ and, seen by many scholars as rooted in Xi Jinping’s call for the “great renewal of Chinese nation”, which has come to be dubbed as the ‘Chinese Dream’.

China has publicly emphasized the economic centrality, infrastructure development, regional connectivity, inclusiveness and people-to-people connects as the bedrock of Silk Road initiatives. However, the larger geopolitical and geostrategic considerations of these concepts cannot be overlooked. This issue 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. In this regard, Indian Ocean becomes vital
for China for energy, strategic resources and access to large and economically vibrant markets. Interestingly, it is also among a select few regions in the world where China has an unfavourable trade balance, as a whole.

While 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), a different picture emerges from the articulations of the Chinese leadership. During discussions with countries along an extended Eurasian rimland, the Chinese leadership 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. Further, some Chinese scholars have recently suggested that Africa should also be made part of the MSR for a providing a more holistic supra-regional contextualization.

While the discourse within 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’ (OROB)’, is in fact a network. 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. Given the embayed geography of the Indian Ocean, it is assessed that the littoral context would assume greater relevance while deconstructing the strategic imperatives of the MSR project.

Oceans, as the oldest global commons and their international character are intimately linked to international politics in terms of power and influence, especially during times of flux and nebulosity, as is the case today. These trends reinforce the emerging complexities about the maritime military security paradigm of the Indian Ocean and its growing importance as a critical maritime space. 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 and the MSR initiative.
• India – Act East policy as a follow up of its Look East policy.

• 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 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 Ukranian). 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.

• US – 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 security dimension of MSR in relation to China can be developed along various thematic contours. Taking historical recall as a point of departure, one description could be based on the mercantilism-cum-expeditionary approach, as practised by the former colonial powers. However, the utility of this theoretical axiom is somewhat misplaced 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. 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, as the mutual stakes become higher. The other disagreement could be on the exclusion of ideology-cum-informational aspects. However, the lines of reasoning in these cases are restrictive, archaic and built along binary lines and, thus relatively less relevant for application in the prevailing international climate.

China’s quest for greater maritime influence coupled with naval capability accretions could also be cast along some existing and some emerging theoretical curves. The first is the oft quoted ‘long cycle’ framework where an ‘enhanced
external foreign policy orientation’ of the rising powers drives the focus on the ‘oceans for strategic purposes’ and the quest for pre-eminence through ‘two ocean’ theorem. The second approach could be ‘using geography to trump strategic limitations’ as espoused by the German Admiral Wolfgang Wegener in the interwar years. In this context, the relevance of hyphenated constructs like Asia-Pacific and Indo-Pacific and others mentioned earlier, gain salience. 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. Other discourses could also be built along the continuums of ‘affluence-arms-history-nationalism’ and the ‘alignment of geopolitics-geography-geostrategy’. 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.

Irrespective of the above theoretical framework, the fact remains that China has vital strategic stakes with maritime hues in the Indian Ocean. This is exemplified by its emphasis on the Bangladesh-China-India-Myanmar (BCIM) and China-Pakistan Economic Corridors (CPEC) as crucial arteries for its MSR project. In sum, influence building and enhanced naval presence by China is a definite given. 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.

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Lately, India and China have taken new policy initiatives for reviving their civilizational roots through historical recall. Through its ‘Maritime Silk Road’ (MSR), China has initiated to revive the ancient Silk Road ‘through modern perspectives’. India has endeavoured to ‘string together ancient cultural routes and maritime linkages to different parts of the world’ through its ‘Project Mausam’. Recently, the Chinese ambassador Le Yucheng proposed India-China cooperation by linking MSR and ‘Project Mausam’. While the two concepts together exemplify Asia’s rise, both use historical assertions to signify their seminal role in the overseas exchange network. This has generated a widespread contemporary enquiry into MSR and Mausam to analyse their geo-strategic, political and economic underpinnings.

Although ‘MSR’ and ‘Mausam’ draw their lineage from history, not much has been examined about their role in shaping maritime history. It is essential to analyse how the dynamic discourse of maritime history evolved and shaped as a discipline, so as to understand the issues relevant to 21st century initiatives. Ostensibly, both concepts aim at ‘reviving’ and ‘acknowledging’ the maritime past. The due appreciation to the dynamic discourse on maritime history enables us to not only acknowledge the issues and concerns in the past, but also to recognize the contours of both ‘MSR’ and ‘Mausam’ in the prevailing global environment.

Maritime discourse in the past has been dominated by western centric typologies. Recording activities ‘at sea’ was a common phenomenon and can be traced back to the first millennium B.C. However, the acknowledgement of maritime engagements in the past was a European construct to highlight Europe’s dominance and supremacy.
across the oceans. The need to exemplify the importance of ‘matters maritime’ began in the late 18th century. At this stage, the European narratives began emphasizing their hegemony on the sea, linking the ‘Rise of West’ to their oceanic superiority. The basic impetus of these writings was the influence and affluence of the Imperial powers in establishing and glorifying maritime networks. The writings were mainly concerned about how European colonisation was not just a symbol of technological superiority, but rather a representation of its structural dominance in the maritime transcontinental network. The rise of industrial capitalism coupled with technological improvements like steam, shellfire, and armour, further facilitated European powers to play a decisive role in shaping world politics. The overseas exchange network witnessed a radical shift, with the opening up of new ports. This led to increase in trade exchanges, and also led the unprecedented spread of ideas.

The 19th century witnessed a gradual shift in academic writings with the rise of nationalism among the colonies, and indigenous scholars began questioning the hegemonic apparatus. This initiated nations to define and identify their roles in overseas networks resulting in redefinition and new characterization of the overseas network. Since inception, these networks have been viewed through the prism of trade and economy. Scholars, time and again, equated maritime networks as trading networks and reconstructed maritime linkages to explore trade relations. However, in the beginning of the 20th century, when nationalist movements began gaining momentum, native historians began to look away from conventional understanding, and began to define trade and its importance within the society. This drove nationalist historians to look beyond trade and economy, and the scholarly writings began gravitating towards the multifaceted aspects of the exchange network, like the spread of Christianity, Islam and Buddhism through the overseas trade.

Despite the gradual shift in the thematic framework, the study of the maritime past has not been all-encompassing as the focus remains on trading networks. Also, the depiction of maritime past has been coloured, and at times, even distorted by the respective compulsions and perceptions of individual countries. The attributes with which, the maritime past has been viewed has, by and large, overlooked the role and importance of the participants in the exchange network. The recent initiatives taken by India and China
have brought maritime history back into the limelight by revisiting the settled histriographical inquiry.

Both, ‘MSR’ and ‘Mausam’ have reopened the historical interpretations and have shifted the focus of enquiry from ‘exchange networks’ to ‘many aspects of exchange networks,’ initiating a holistic approach to acknowledge and revive the maritime past through mutual cooperation. This marks a departure from previous works, as both ‘MSR’ and ‘Mausam’ revisit the essential role played by maritime linkages in shaping global history, and demonstrate connecting histories from ‘sea to land.’

Acknowledging maritime linkages as the oldest means of globalization, they aspire to give a new dimension and scope to study maritime history. Recalling history, the contemporary projects can be seen to propagate Asia’s rise.

These 21st century initiatives, taken by two of the largest countries of Asia, will enable the recognition of the vastness and complexity of the oceans, not only geographically, but also socially, politically and economically.

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Onset of ‘Maritime Asia’

Maritime travel, trade and even conquest have historically been part and parcel of the interaction among different communities, states and civilisations from South to East Asia. Control of key maritime routes by the ancient Asian kingdoms and subsequent European colonial powers meant control of trade and influence throughout the wider region. Hence, the announcement by several regional powers of new maritime centric initiatives to revitalize their ‘maritime legacy’ and that of the region have regional observers sitting up and taking notice.

China got the ball rolling with its Maritime Silk Route (MSR), a strategic initiative to increase trade and foster collaborations across a range of fields leveraging on sea routes which was announced in late 2013 during President Xi Jinping’s visit to Indonesia and Malaysia. In 2014, then newly elected Indonesian President Joko Widodo also outlined his vision for Indonesia as a ‘Global Maritime Axis’ which aimed to capitalise on Indonesia’s vast maritime geography.

Not to be left behind, India responded with a maritime initiative of its own – Project Mausam. Much of the chatter in late 2014 focused on Prime Minister Modi’s much heralded initiative, its aims and implications for India and the wider region. This essay has two aims. First, to explore the nature of Project Mausam – its background, scope, aims and possible motivations behind its impending implementation, and second, to examine its impact on ASEAN and Malaysia in particular.

Project Mausam

At its face value, Project Mausam can best be described as a foreign policy initiative that is being developed by
the Modi administration which aims to revive India’s ancient maritime routes, cultural and trade linkages with a diverse group of states and regions that are connected to the Indian Ocean. The name ‘Mausam’ itself is derived from a myriad of regional dialects for the monsoon winds that were used by early maritime navigators to travel across the Indian Ocean – travel which ultimately shaped early interactions between communities and nations connected by the Indian Ocean.1

However, despite being discussed and written on for almost a year, the specifics of Project Mausam have yet to be officially released with only several general aims being cited by bureaucrats and analysts. Nonetheless, indications are that this could be a major feature in India’s engagement with the Indian Ocean region for the foreseeable future. It will likely complement contemporary initiatives like the ‘Act East’ policy – itself a proactive enhancement of India’s nearly quarter century old Look East policy – which is geared specifically towards ASEAN and more generally towards East Asia. This action oriented approach aims to further forge economic, cultural, strategic and security cooperation with states in the region.

Ranging from East Africa and the Arabian Peninsula to Southeast Asia, Project Mausam is not just about examining and historical ties of the past but more importantly, also seeks to enhance trade, diplomatic and security ties around the region with India as its central nexus. Project Mausam also involves a cultural aspect that aims to complement its trade and diplomatic emphasis. As it stands, India’s Ministry of Culture has already started preliminary work on several initiatives aimed at fostering an enhanced understanding of values and concerns of natural and cultural heritage among Indian Ocean countries.2

**Project Mausam as a Counterbalance to China?**

Unlike Indonesia’s Maritime Axis – which focuses as much attention to domestic concerns as it does to external policies – the general consensus among regional observers is that diplomatic and cooperative platitudes aside, Project Mausam is in fact India’s direct response in countering and confronting China’s MSR.

Originally intended to boost cooperation and goodwill between China and ASEAN states, China’s MSR has expanded significantly, and now sets South Asia, East Africa, the Arabian Peninsula and even Europe in its sights. Through maritime trade
and infrastructure development, China proposes to strengthen trade and relations with all these regions. In fact, during his visit to New Delhi in September 2014, President Xi promoted the MSR to India urging it to join the initiative, while emphasising the benefits to all parties due to India’s strategic and influential position in the Indian Ocean. Unlike its neighbours who have welcomed the initiative and the prospects of Chinese driven development it entails, India was more circumspect about the extent of its participation in this latest Chinese initiative primarily for what it might mean for the future of the Indian Ocean region. India, like most of China’s competitors sees the MSR as a major plan to expand China’s sphere of influence from its traditional hub of East Asia.

Not only has China grown its footprint in its ‘traditional’ East Asia, it is also making waves in South Asia and the Indian Ocean – India’s front yard. Besides long standing ally Pakistan, China has shown and received huge interest in Sri Lanka, the Maldives and Bangladesh – investing heavily via economic aid and infrastructure development. Most notable of these are the developments of Chinese funded and built deep-water ports in Sri Lanka, Pakistan and possibly the Maldives which could, theoretically, be accessed by assets of the Chinese Navy. A similar project in Bangladesh was shelved in favour of one undertaken by a more multinational consortium after protests by India while reports of another Chinese driven port in East Africa – despite ultimately proven to be untrue – caused concern in New Delhi.

The Indian defence establishment also has growing reservations about the expansion of Chinese naval activities to the Indian Ocean. Visits by Chinese naval ships to neighbouring states are on the rise alongside Chinese naval traffic as it continues to participate in anti-piracy efforts off the Horn of Africa. However, multiple visits by Chinese submarines to Sri Lanka in late 2014 – berthed at ports developed by China – and reports that the PLA and PLAAF have been offered access to several military facilities in that country for joint training purposes have especially upset India and given ammunition to those who advocate that China does indeed have growing ambitions for its presence in the Indian Ocean region. Interestingly, much of this concern and indeed the perceived growing Chinese presence and influence in the Indian Ocean reflects the ‘String of Pearls’ strategy that was bandied about during previous decade – an approach that some then dismissed and criticised as too grandiose.
The last few years have seen China make huge strides in strengthening its presence and influence in the Asia Pacific – a position that it is now apparently building in the Indian Ocean. A possible speed bump though could come in the form of the defeat of the Rajapaksa administration in Sri Lankan national elections held in early January 2015 which could see an adjustment of its pro-China policies. Newly elected President Sirisena has vowed to decrease the country’s dependence on Beijing, though such talk – given the extent of Chinese driven development in Sri Lanka – is easier said than done.

The Challenge to Regain Influence

Naturally, India does have some cause for concern. The rhetoric about a rising India claiming its place alongside China as co-leaders in a bipolar ‘Asian century’ has largely remained just that – rhetoric. While India has moved forward on many fronts – its attempts to successfully combine soft and hard power with a concentrated, sustained diplomatic strategy in order to cement its place in the new Asian order has fallen short.

Given the spike in high profile international engagements and his reputation as a “man of action”, Mr. Modi will be expected to deliver on foreign policy as well. Obstacles however, remain – especially internal challenges from competing domestic priorities and a foreign service that has been criticised as lacklustre and reactionary.

Psychologically, this comes at an important time for India with analysts arguing that the current political leadership in New Delhi isn’t one that indulges in half-hearted initiatives. India is playing a catch-up game in the wider region and it must move fast to set up the necessary bilateral and multilateral mechanisms to expedite further cooperation that it aims to achieve. In this light, the development of Project Mausam, or at least some strategic elements of it, can be seen as India’s attempt to address the imbalance and pre-emptively reassert its dominance over a region that it sees as its natural sphere of influence.

Project Mausam – Winds of Change towards ASEAN?

It would be reasonable to expect that any rollout of Project Mausam will take into consideration the strategic importance of ASEAN. Several of its members – Myanmar, Indonesia and Thailand – share borders with the eastern Indian Ocean while Malaysia and Singapore are key stakeholders. The India-ASEAN relationship itself has grown significantly since initial sectoral...
and full dialogue partnership talks in 1992 and 1995 respectively. Elevated to a strategic partnership in 2012, the relationship now covers a wide spectrum of fields including political and security cooperation, economics and socio-cultural issues. Generally, India has good relations with the organisation as a whole and its individual members, with varying degrees of economic and security engagement with different members.

Nevertheless, when compared to some of ASEAN’s other partners like China, the European Union, Japan and even Taiwan, the depth of India’s relationship with ASEAN, especially in economics and trade has been rather dismal. There has always been a gap between India’s strategic promise and its performance. As is often the case with grand initiatives from New Delhi – and ASEAN – the problem is not the lack of ideas but the inability to follow through on them. The new proactive administration in Delhi however seems keen to boost cooperation and achieve substantial results. At the 2014 ASEAN Summit in Nay Pyi Taw, Modi himself stressed that a new, rising India which is serious in engaging the wider East Asia, was keen to deepen its relationship with ASEAN, advancing balance, peace and stability in the wider region. The 27th ASEAN Summit in November this year in Kuala Lumpur – and its related summits – will provide an insight into how things have progressed since then.

Project Mausam, with its action oriented aims to further forge economic, cultural, strategic and security cooperation with states in the region represents a significant opportunity to add further depth and substance to the India-ASEAN relationship. The project can and should complement contemporary initiatives like the ‘Act East’ policy – itself a proactive enhancement of India’s nearly quarter century old Look East policy – which is geared specifically towards ASEAN and more generally towards East Asia. As Project Mausam rolls out, India will likely engage with ASEAN, bringing new opportunities for collaboration in economic, security and possibly cultural sectors.

It would be impossible to ignore the issue of maritime security in the South China Sea (SCS) when examining a potential major Indian maritime strategy that will be of importance to ASEAN. Maritime security, territorial disputes and a growing Chinese presence in the SCS are a growing concern for its member states. It would not be conjecture to state that some members of ASEAN might be more keen than others in welcoming such an initiative by India,
perhaps buying into Project Mausam as a counterbalance to China. India's strategic cooperation with Vietnam – including defence cooperation and visits – and interest in pursuing joint resource exploration in the SCS has seen the disapproval of China. More recently, Singapore has urged India, as a “big and influential country” to play a bigger role in confidence building in the SCS. Officially, India supports the peaceful resolution of the disputes and the implementation of a Code of Conduct in the SCS and has been careful to appear as a neutral party.

Malaysia and Mausam – Managing Engagement

Sitting smack in the middle of Southeast Asia and straddling the Straits of Malacca and the SCS, Malaysia is likely to see itself involved in some capacity, should Project Mausam come to pass. Malaysia has longstanding diplomatic relations with India – especially economic and cultural relations. Due to concerns over its influence and sovereignty in the Straits of Malacca, Malaysia had been somewhat reluctant to see a more prominent Indian security presence in Southeast Asia. Defence relations however, have always been cordial and are steadily growing. There may be indications that this reluctance is changing with increasing contact and training among the defence establishments of both countries. Additionally, as strategic and security realities evolve in the SCS, Malaysia could find itself more accommodating to a more active and maritime focused India.

Concurrently, China’s MSR proposal has been well received in Malaysia with both political and business leaders voicing their support of the initiative. Under the MSR umbrella, there is already on-going development of the Kuantan Port in the East Coast of Peninsular Malaysia to handle larger vessels with more tonnage in collaboration with its ‘sister’ Qinzhou Port in China’s Guangxi province. Malaysia has always valued its relationship with China and the trade relationship between the two is significant. It is likely that Malaysia will continue in this direction as it could leverage on the MSR not only for economic benefits but also as a means of minimising the likelihood of conflicts with China, stemming from on-going territorial disputes in the SCS.

While it is still early days, one can make an educated guess that the advent of Project Mausam, coupled with China’s MSR and Indonesia’s Maritime Axis, have given the folks at the Ministry of Foreign Affairs something to think about. Three major maritime initiatives by three important states
that have longstanding relations with Malaysia, all of which affects Southeast Asia with Malaysia located at its dead centre is more than enough to cause some sleepless nights. The challenge for Malaysia, which has long maintained a hedging approach in regards to big power presence in Southeast Asia, will not be in just balancing her involvement in these maritime initiatives while looking out for its interests, but to also keep in mind the larger best interests of a region that Malaysia is inexorably tied to. As Project Mausam and the other maritime initiatives take better shape, Malaysia should work through bilateral and multilateral frameworks to try and ensure that these initiatives do not ultimately compete with each other, risking further tension and polarisation of the wider region but rather seek to complement each other creating a more peaceful and prosperous outcome for all.

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Notes


Connecting Chinese and Indian Initiatives in the Indian Ocean

Dr. Zeng Xiangyu

China and India have launched a series of maritime cooperation initiatives such as the Chinese 21st Century Maritime Silk Road (MSR) and the Indian Projects Spice Route, Mausam and Cotton Route. It is unfortunate that these initiatives are being interpreted by some as countermeasures against each other, which is producing an unfavorable atmosphere for China-India relations. The two sides may need to seek win-win cooperation and a sound development of Sino-Indian relations based on an objective and in-depth evaluation of these initiatives.

Project Mausam

Maritime Routes and Cultural Landscapes is a mega program launched by India’s Secretary, Ministry of Culture at the World Heritage Committee conference held in Doha on 20 June 2014. Its main objectives are: a) transnational nomination of Maritime Cultural Routes; b) creation of a comprehensive database and UNESCO web platform on Maritime Cultural Landscapes and Routes; and, c) linking other UNESCO cultural conventions with the World Heritage convention through this theme. There are two major units for execution of the project; the first is a Project Research Unit, the second is a World Heritage Nomination Unit. The Archaeological Society of India (ASI) has been nominated as the nodal agency, while Indira Gandhi National Centre for Arts (IGNCA) is the research unit entrusted with a five-year program (2014-2019). Under Project Mausam, a number of activities have been organised, comprising at least eight (monthly) lectures, national and international conferences, publications, and online outreach. The project is aimed at transnational joint application of world heritage.

Project Spice Route

Launched on March, 2011, the Project is a development of Muziris Cultural
Heritage Conservation Project. The project is regarded as a revival of the ancient spice route that connected 31 countries. The Project seeks to develop several historical areas of Kerala linked with the ancient spice route, including Wayanad, Valiyangadi, and Beypore. The Kerala Tourism Department has visited UNESCO and World Tourism Organization, leading to an agreement with UNESCO. The delegates of 31 countries along the spice route, including China, Korea, Japan, Singapore, Aman, Brazil, Russia, Sri Lanka and Bangladesh have also been engaged.

**Cotton Route**

The Project was introduced during a high-profile conference, ‘India and Indian Ocean: Renewing the Maritime Trade and Civilisational Linkages’, held in February 2015 at Bhubaneshwar (in Indian province of Orissa). Besides the ministries of external affairs and defence, eight other Union government ministries were partners in the Conference. According to the Bhubaneswar Declaration issued after the Conference, India's ancient Cotton Route needs due attention. It further states that in the pre-Industrial Revolution era, India clothed the world. ‘Cotton’ transcends social and economic hierarchies. The Cotton Route concept should be leveraged to rekindle the historical maritime trade linkages across the Indian Ocean Rim. The understanding and interpretation should be shared across the member states for possible consensus on a way forward.

Being a new concept, its details—including its execution and organization—are not yet clear, leading to a few groundless speculations. According to a Russian journalist, Cotton Route is likely to be an overarching concept covering all existing and potential Indian regional cooperation initiatives in Indian Ocean, with a focus on maritime cooperation with Iran and South Africa, the Indian Ocean islands (Mauritius and Seychelles, in particular) and Indonesia. It will be a ‘highway system’ involving revival of cultural exchanges with countries from ASEAN to East Africa. Such interpretation—though interesting—seems to be more of a hyperbole and speculation.

**21st Century Maritime Silk Road**

The MSR is an initiative of cross-regional cooperation in its new pattern, which was made public in the Chinese President Xi Jinping’s address to Indonesian Parliament. Details of this initiative is not available as yet since government agencies related (NDRC in particular) are still busy with setting a road map, while a lot of intensive research and survey work is
still being done. According to tentative observations, the MSR would not be a regional cooperation organization in the form of ASEAN or SCO, but a network of cross-regional cooperation toward shared interests and shared destiny.

The initiative is characterised with inclusiveness and comprehensiveness. By this, it means that any confrontational or win-lose mindset must be rejected, as this is not going to work in the time of globalisation, regionalisation and involve shared interests. Any initiative conductive to peace and common development in the region would be welcome and might be interlinked with each other in order to construct of network of infrastructural connectivity, enhanced international trade, better policy coordination, and mutual understanding between peoples.

**Strategic Implications?**

Many are concerned about the so-called ‘strategic implications’ of such initiatives. The MSR has been interpreted by some as a Chinese foray into Indian Ocean with unfavorable implications for India. At the same time, the Indian proposals of Project Mausam, Spice Route and Cotton Route have been regarded as countermeasures against the MSR. Such observations, interestingly, is mostly from Indian media and analysts. For example, some reportage of the unveiling of Cotton Route link it to Prime Minister Narendra Modi’s recent trips to Seychelles, Mauritius and Sri Lanka and the enhanced Chinese presence in Indian Ocean region. The logic behind such arguments seems to be: a) spice and cotton trade with the help of seasonal Mausam could be an effective counterweight to silk trade; b) Indian Ocean consciousness or identity nurtured by Indian initiatives is not conductive to Chinese presence in Indian Ocean as China is not an Indian Ocean littoral; and c) Indian proposals of regional maritime cooperation could produce effective counterbalance to Chinese initiative of cooperation.

However, such interpretation might be a misreading of the motives of both China and India and mislead of analysts. Project Mausam at its present stage seems to be more a project of cultural engagement with not too much strategic designs. Likewise, Project Spice route is basically a heritage reservation and tourism development program with some connotations to regional cooperation. Concrete evaluation of Cotton Route is presently difficult since not much details are available as yet. Nevertheless, at this stage, it cannot be interpreted as a grand strategic design to counter Chinese presence in Indian Ocean.
Interpreting the MSR as Chinese strategic design is also a far-fetched speculation. As a rising power (like India), China has interests worldwide, which makes comprehensive cooperation (with neighboring countries and regions) a necessity. The MSR as designed will increase Chinese investment to its partners, shift some of its world class manufacturing facility internationally, enhance regional connectivity (through railways, highways, harbors, airports, etc). This is beneficial for both China and its partners in terms of economic development and improvement of people’s livelihood. More importantly, this much enhanced bond of shared interest will help the peace and development of the region. The region could therefore go a long way towards peace and prosperity. The inclusiveness of MSR makes it compatible to most if not all other regional cooperation initiatives, be it bilateral, multilateral, sub-regional, regional, or cross-regional.

Exploring Cooperation

As rising powers and major player in Indian Ocean Region, China and India need to find out meeting points of their regional cooperation initiatives and actively explore potentials of cooperation. The two countries need to make objective and fact-based evaluations of each other’s initiatives and continue with meaningful policy dialogue to enhance mutual understanding and avoid mistrust. Both countries could learn from each other. For the Chinese, their Indian counterpart has offered excellent experiences in keeping active communication with rest of the world through English with special attention to international audience, employing database and online platforms, interlinking academic and effective communication to general public, building government-international organization partnership, nurturing cross-national linkages, etc. More importantly, both countries need to actively take part in each other’s initiatives with an open mind so as to cultivate shared interests and build a network of shared peace and prosperity for the benefit of their peoples.

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Naval engagements are significant as they are seen as instruments of diplomacy, building trust and confidence between the countries, as also increasing the interoperability between the navies. The Indian Navy (IN) and the Royal Australian Navy (RAN) have scheduled their first ever combined naval exercises, IN-RAN, in October-November, 2015, thereby deepening maritime ties between the two countries. The exercises also indicate the growing convergence of interests between India and Australia in the Indo-Pacific, wherein the Indian Ocean and the Pacific Ocean are considered to be “interdependent economic and strategic spaces, particularly in relation to maritime security of the long Asian littoral.”

India-Australia Relations

Relations between India and Australia have undergone a number of ups and downs due to a number of political and strategic factors. First, during the Cold War era, India took a non-aligned stand, whereas Australia aligned itself with the USA. Second, India’s nuclear program was a major irritant in India-Australian ties. Third, India was preoccupied with its volatile neighbourhood, whereas the strategic focus of Australia lay in the Pacific Ocean, and it operated in the Asia-Pacific sphere. Lately, however, Canberra seems to be devoting much emphasis on its western maritime theatre of the Indian Ocean. The growing relevance of India in the regional dynamics is an important factor in Australia’s altered strategic calculus.

Australia’s 2013 Defence White Paper articulated the Indo-Pacific as the ‘logical extension’ of the Asia-Pacific that “adjusts Australia’s priority strategic focus to the arc extending from India through Southeast Asia to Northeast Asia.” It also announced Australia’s economic and strategic shift towards the Indo-Pacific. For Australia, the Indo-Pacific
is “driven by the major economic and strategic shifts that are now occurring in broader Asia, including the expansion of the strategic interests of China and India into the core areas of interests.”

Former Australian Senator Gareth Evans had defined Australia as an ‘Indian Ocean nation, with considerable strategic and commercial interests in the region.’ However, Australia’s interests are largely lie in the north-eastern Indian Ocean, encompassing Southeast Asia and Australia’s northwestern border. Australia’s interest in the region also lies in the security of its own gas fields located in the Northwest Shelf. Australia has been participating in naval operations to ensure maritime security in the Indian Ocean. Yet, Australia preferred the term Asia-Pacific to describe its strategic sphere. It can be argued that the change in terminology from ‘Asia-Pacific’ to ‘Indo-Pacific’ indicates Australia’s desire to include India in its strategic sphere.

Maritime Cooperation

The decision to conduct IN-RAN was taken in 2013, when then Defence Minister AK Antony met with his counterpart Stephen Smith in Australia. The IN and the RAN were involved in naval engagements since the 2000s. The RAN had participated in MALABAR 07 along with navies of India, USA, Japan and Singapore, and has also been involved in MILAN at Port Blair since 2003.

Increased joint naval collaboration, maritime security, and cooperation in various multilateral forums were always on the agenda in the India-Australia ties. Maritime security and piracy was also recognised as a priority area for cooperation. A stable Indo-Pacific, the security of Asia-Pacific and enhanced cooperation in the Indian Ocean, and freedom of navigation in accordance with UNCLOS were discussed and mentioned in the joint statements released. In Framework for Security Cooperation established in November 2014, India and Australia agreed to hold regular bilateral exercises, annual security dialogues on maritime security, including non-proliferation and disarmament.

Why India is important to Australia

The liberalization of the Indian economy, the USA-India rapprochement and growing economic relations have paved way for the growing cooperation between India and Australia. India’s nuclear program no longer remains an irritant. In September 2014, India and Australia signed the MoU for Cooperation in the Peaceful Uses of Nuclear Energy. Australia’s 2009 Defence White
Paper says that India will increasingly become important economically and strategically. Australia has also said that as New Delhi increases its reach and influence in the region, there is a need to “understand India's strategic thinking” as well as to strengthen defence ties with it. Australia recognises that India will play an instrumental role in maintaining peace and security not only in the Indian Ocean Region (IOR) but also in the boarder Indo-Pacific region. Therefore, Australia seems to welcome India's raising naval power.

Australia also sees India as a potential economic partner in the Indo-Pacific region. Being an ally of USA and given its close economic relations with China, Australia risks getting caught in the cross-fire as USA and China contest for hegemony in the region. Given this situation, fostering stronger relations with India would enable Australia to hedge against any economic and security adversity.

**Why Australia is important to India**

During his visit to Australia, Prime Minister Narendra Modi said that Australia would no longer remain on the periphery but would be at the centre of India’s vision. Australia is increasingly becoming crucial for India and is important for India’s Act East Policy. Developing closer ties with Australia, in addition to good ties with Japan, South Korea, Vietnam and ASEAN, would allow India to become an increasing presence. India also sees Australia as a security partner in the Asia-Pacific region. Apart from this, Australia’s resources can also fulfil India's increasing needs in terms of imports of coal, uranium and natural gas.

**India-Australia Maritime Convergences**

Geographically, India and Australia are maritime nations. India is strategically located in the Indian Ocean, whereas Australia is situated on the rim of the India Ocean and Pacific Ocean. Maritime security is one area where India and Australia’s interests converge, and merit for cooperation.

**The China Factor**

China’s increasing capabilities and aggressive posture in the South China Sea is a cause of concern for India and Australia. For Australia, this could lead to a “disconnect between Australia’s economic (China) and strategic (USA) partnerships.” India has an unresolved boundary dispute with China and New Delhi views China’s increasing presence in the IOR with suspicion.
Rising China and the threat it posed to the regional order was always a cause of concern. A Quadrilateral Security Dialogue, with India, Australia, Japan and USA as its members, was proposed in 2007,\textsuperscript{22} but the idea was soon abandoned after China reacted strongly against it.

\textbf{Regional Groupings}

Both India and Australia have always believed in strong multilateral forums for a stable region. They have cooperated strongly in several multilateral platforms such as the Indian Ocean Rim Association (IORA) and the Indian Ocean Naval Symposium (IONS), etc. In 2011, Australia and India were instrumental in placing maritime security issues on the IORA agenda through the formation of a maritime security group.\textsuperscript{23} New Delhi and Canberra also agreed to cooperate in various regional and multilateral forums such as the East Asia Summit (EAS); the ASEAN Regional Forum; and the ASEAN Defence Ministers Meeting Plus (ADMM+).\textsuperscript{24}

\textbf{Southeast Asia}

With the intensification of India’s Look East, now Act East Policy, and Australia’s Look West Policy, Southeast Asia is an area of converging Indian and Australian interests. Australia also sees the Indo-Pacific as a “maritime domain with Southeast Asia at its geographic center.”\textsuperscript{25} The growth of Islamic terrorism is also a security concern. A politically stable Southeast Asia is in the interests of India and Australia. Hence, both the nations have agreed on “counter-radicalisation exchanges”.\textsuperscript{26}

\textbf{Security of SLOCs}

Secure and stable SLOCs are of paramount importance for both the nations because of the high volume sea borne trade. More than 90 per cent of India’s trade by volume, and 77 per cent by value is sea borne.\textsuperscript{27} Australia, being a resource rich country, needs free sea lines for its trade and even as it develops its North-West Shelf as a major source of natural gas and Liquefied Petroleum Gas (LPG).\textsuperscript{28} Any disruption of SLOCs or blocking of choke points would have repercussions for both the Indian and Australian economies. During the Australia-India Security Roundtable held in 2005, participants agreed that Indian and Australian interests converged in the eastern Indian Ocean and the Straits of Malacca.\textsuperscript{29}

\textbf{Non-Traditional Threats}

The region is plagued by a number of non-traditional security threats and challenges such as piracy, narcotics, humans and arms trafficking, IUU fishing, natural disasters\textsuperscript{30}, and illegal immigration.
Australia’s northern shoreline is quite vulnerable to trafficking as well as illegal immigration. Countering these threats is another area for cooperation. Fisheries management31/ IUU fishing is also a major challenge for the regional countries, which could be addressed through India-Australia cooperation.

**Freedom of Navigation**

India and Australia believe that “freedom of navigation in accordance with the principles of international law is critical for the growth and prosperity of the Asia-Pacific and the Indian Ocean Region.”32 Australia reckons that the conflict in South China Sea has the potential to destabilize the whole region; however, this could be tricky for Australia as China is its largest economic partner.

**Scope for Maritime Cooperation**

Being major maritime powers, there is a high potential for maritime cooperation between India and Australia, which is being explored. India already plays an important role as a security provider in the Indian Ocean, whereas Australia has started to play an enhanced political and security role in the Indian Ocean. Australia has started also to “rebalance its naval and other defence resources to the Indian Ocean.”33

Maritime cooperation can also include intelligence sharing as well as training of personnel. Both the countries can cooperate in Human Assistance and Disaster Relief (HADR) as well as Search and Rescue (SAR) operations. Curbing illegal migration is another area for collaboration. The maritime engagements will also include cooperation between the Indian Coast Guard and the Australian Border Force. Various multilateral groupings can be used as platforms for addressing maritime issues diplomatically.

**Divergences**

**China**

Even as the ‘fear of an unpredictable China’34 is a converging factor in India-Australian relations, the same can also be seen as a divergent factor. Ostensibly, Indian and Australian views on China differ, which could lead to a possible ‘disconnect’ between the two countries. Australia seems to be more tolerant of Chinese presence in the Indian Ocean as it believes that peaceful and stable relations between the USA and China are essential for “continued stability and prosperity in the Indo-Pacific.”35 India, on the other hand, is circumspect on China’s naval build up and increasing presence in the IOR.

**Pakistan**

Australia has been trying to bring Pakistan on board the Indian Ocean Rim
Association for Regional Cooperation (IOR-ARC), now renamed as Indian Ocean Rim Association (IORA). Given the turbulent India-Pakistan relations, this could be possible reason for discord. Australia has been assisting Pakistan in capacity building to counter “serious and sophisticated crime” through several training programmes and by supplying “specialist training equipment”. Therefore, Australia-Pakistan ties could be seen as potential irritant in the evolving India-Australia ties in the future.

**Trilateral Naval Exercises**

As India and Australia deepen their maritime relations and enjoy strong ties with the USA, there is a possibility of a trilateral framework in the Indian Ocean. It has been argued that the India-Australia-USA trilateral could ‘complement’ the already established trilateral framework between India-Japan-USA and Australia-Japan-USA. A possible trilateral naval exercise between India-Australia-Japan is also on cards as the high level representatives of the three nations met in New Delhi for discussions in which maritime security topped the agenda. The security of SLOCs is paramount for India, Japan and Australia. The Indian, Japanese and Australian navies have been participating actively in combating piracy and trafficking in IOR. Once again, USA is a common element here. The question is: will the ‘Quadrilateral Security Dialogue’ be revived? Any sort of trilateral in the region might invite strong reactions from China, as it did during the MALABAR 07 and when the idea of Quadrilateral Security Dialogue was first proposed.

The Australian diplomat Peter Varghese had said that the meeting should not be seen as an ‘anti-China Front’. But China cannot be ignored, as the three nations discussed about freedom of navigation in the South China Sea.

**Conclusion**

With Australia shifting its focus from the Asia-Pacific to the Indo-Pacific, there will be more interactions between India and Australia in the maritime domain. The combined naval exercises will not only deepen the cooperation, but will also ensure greater coordination between IN and RAN. For Australia, the country of interest in region will primarily be India. Australia also believes that India will play a larger role in maintaining peace and stability in the region. However, the China factor cannot be ignored in the evolving India-Australian maritime
cooperation since they share similar views on the freedom of navigation, especially in the South China Sea. Therefore, it will be important to watch China’s reaction to the deepening maritime ties between India and Australia, and the possible trilateral ties in the Indo-Pacific.

31 July 2015

NOTES


7 Ibid.


9 Ibid.


14 Ibid, p.96.

15 2013 Defence White Paper, p.16, n.3.


19 According to recent news reports, India is likely to begin importing Liquefied Natural Gas (LNG) from Australia by the end of 2015. For more details see: http://www.business-standard.com/article/pti-stories/australian-lng-to-cost-nearly-half-the-price-of-qatar-gas-115021000605_1.html.


24 Framework for Security Cooperation between India and Australia, Ministry of External Affairs, n.11.

25 Defence White Paper 2013, p.8, n.3.

26 Framework for Security Cooperation between India and Australia, Ministry of External Affairs, n.11.

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Joint Press Statement on the State Visit of Prime Minister of Australia to India, Ministry of External Affairs, New Delhi, n. 8.

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Sripathi Narayanan

Since the end of Cold War decades, the global security scenario has undergone significant changes. This is especially the case in South Asia. Since July 2013, when the National Security Advisor-level officials of the three nations – India, Sri Lanka and the Maldives – signed the Trilateral Maritime Security Cooperation Agreement, changes in security-related and political ties have taken a new form, whose importance works at multiple levels. This involves not only the strengthening of politico-diplomatic and security ties among the three countries, but also furthers the evolution of the regional/sub-regional multilateral security architecture.

Any examination of these issues would include the study of the nature and trajectory of the lateral ties between these three nations, both with one another and otherwise, along with their perceptions and concerns towards security. In the case of India, New Delhi’s security concerns have become more complex over the past decades. From once being almost exclusively concerned about territorial issues and border disputes, India is now equally concerned about other non-traditional issues emerging from both near and afar. These range from internal security and asymmetric threats in India to the stability of nations in the immediate and extended neighbourhood, as well as to questions of strategic space and autonomy in India’s ‘backyard’.

In the case of Sri Lanka, the primary concern till recently was internal that is, the three-decade old ethnic strife that degenerated into war and Liberations Tigers of Tamil Eelam (LTTE terrorism). With the end of the ‘Eelam Wars’ in May 2009, Sri Lanka’s concerns regarding security have taken a new turn. Today, Sri Lanka’s primary issues come in the form of non-traditional security concerns which are related to economics
and development. This is accompanied by the need to balance the tricky issues of domestic politics and polity, both of which have yet not recovered from decades of ethnic hostility.

In the Maldives, an esoteric approach towards security seems to be the focus, along with Global Warming and rising sea levels. Though a global phenomenon which will, no doubt, visit almost every nation, the impact of global warming upon the Maldives will be most profound since the whole nation could go under water. This is, again, a non-traditional security concern.

First of a Kind

Running parallel to the narrative of the varying priorities and positions towards the notion of security is the nature of ties amongst these three nations. For a number of reasons which range from principle to persecution India, Sri Lanka and the Maldives have not been accustomed to the concept of a security alliance, either among themselves or with others. None of them joined the post-World War II global/regional security architectures such as North Atlantic Treaty Organisation (NATO), Southeast Asia Treaty Organisation (SEATO) or Central Treaty Organisation (CENTO), though they were among the favoured lot in the eyes of the initiators, thanks to their location, particularly with regard to the Indian Ocean. Moreover, the domestic political constraints within these three South Asian nations were also a factor that did not always encourage mutual traction on the subject of security cooperation beyond a certain degree.

Thus, in this context, India, Sri Lanka, and the Maldives worked out the Trilateral Maritime Security Cooperation Agreement. Though only two years old, this Agreement signifies both the depth and the complexities in the nature of the ties between India and her southern oceanic neighbours. It is possibly the first of its kind in South Asia. So far, it is also the only one of its kind in the region. For the last few years, there has only been a narrative of turbulence in India's engagement with her immediate maritime neighbours. The nature and reasons for this turbulence are many, and is a subject of a dedicated study.

Nonetheless, it is sufficient to point out that two Prime Minister of India two different personas, representing two different political parties and alliance-formations had to cancel planned visits to these two nations on two occasions, in less than two years. In November 2013, Prime Minister Manmohan Singh did not attend the Colombo Commonwealth Summit. In March 2015, PM Narendra Modi of the BJP dropped the Maldives from his scheduled
four-nation neighbourhood visit in the shared Indian Ocean Region (IOR).  

Going by media sketches of the two Prime Ministers, their personalities differed greatly; so did the foreign policy principles of their respective political parties. Yet, they were seemingly influenced by the overall, inherited foreign policy approach of the Indian State since Independence. It could be said that the policy has not changed much since, despite the geo-political and geo-strategic changes contributing to the changes in the nation’s all-important economic/developmental policy framework. Whatever be the reason, the decision by the Indian prime ministers to cancel their visits may have not gone well with Colombo and Male, and reflects the complexities of India’s bilateral relations with these neighbours.

In Sri Lanka, domestic politics and the unfinished discourse on the ethnic front are seen as a sore point in Colombo-Delhi ties. In the case of the Maldives, the nation’s on-going experiment in understanding the nuances of democracy, democratisation and electoral politics has been a restraining factor in Male-Delhi ties. Despite such political baggage on the bilateral front, and past misgivings on the security/military-to-military engagement, the three nations have found a *modus vivendi* to address issues, wherein maritime security issues represent a common challenge and a politically neutral concern.

### The Broader Narrative

The crux of the trilateral agreement between India, Sri Lanka, and the Maldives focuses largely on non-traditional, asymmetric concerns such as maritime domain awareness, search and rescue (SAR), the strengthening of existing mechanisms in protecting and securing the Exclusive Economic Zones (EEZs), evolving new mechanisms to address environmental concerns and natural disaster responses as well as to address issues like piracy and other illegal activities at sea. At another level, this trilateral agreement has two other outcomes. The first has been the inclusion of Sri Lanka in the DOSTI (the bilateral exercise between the maritime security agencies of India and the Maldives); and secondly, the interest evinced by Seychelles and Mauritius (their common Indian Ocean neighbours) who have since become ‘observers’ in the trilateral arrangement.

Within the broader narrative of India’s maritime engagement with its smaller neighbours in the Indian Ocean, the understanding on illegal activities at sea especially that of the piracy is significant. It is in this context that the
Indian Navy has taken upon itself to secure the EEZ of the Maldives along with those of Seychelles and Mauritius. India has also provided maritime security assets, including patrol vessels, surveillance equipment, communication linkages and access to India's own computerised data and information of the kind required by these nations.

**India’s Concerns**

There is no doubt that it is the ‘spirit’ rather than ‘letter’ of the trilateral Agreement that is of greater importance. This is so as New Delhi may harbour major concerns about Sri Lanka and the Maldives. In the Indian perspective, both these nations are seen as drifting towards China in a bid to shun/limit their engagement and perceived dependence on India. Conversely, these two nations may also share similar but independent apprehensions about India, and this has affected the nature of their engagement with New Delhi. For both Colombo and Male, the Indian involvement in their domestic politics (even though as an ‘involuntary’ participant) has been seen as a determining and detrimental factor.

Prior to the finalisation of this Agreement and even after that these apprehensions have not yet been suitably addressed. This has more to do with apprehensions regarding the party and leadership in power in these nations at any given time. It is their apprehensions about the Indian influence/interference in domestic politics that has influenced, so to say, the security perceptions of the respective countries. It needs to be acknowledged that India whatever the political leadership has not done enough to erase such avoidable and unfortunate apprehensions. In the case of Sri Lanka, these go as far back as many decades before the ‘Eelam Wars’ phase. It needs to be pointed out here that, since 2013, India, Sri Lanka, and the Maldives have seen a change of guard, with new dispensations at the helm of affairs in all three nations.

The impact of the change in government on the trilateral engagement is yet to be fully ascertained. However, domestic changes have not derailed this engagement at least not for the time being. This is was evident in the nature of engagement in December 2014, when the sole desalination plant that quenched the thirst of Male (the capital city of the Maldives, housing a third of the nation’s 300,000-plus thousand population), was destroyed in a fire-accident. Sri Lanka and India, as first responders given their proximity to the Maldives, immediately rushed in drinking water, followed by Indian naval vessels with the desalination plants of their own. It is well known that in December 2004 (the...
‘pre-trilateral’ period), the Indian Navy and Air Force rushed non-military aid to the two southern neighbours when these were hit by the Indian Ocean Tsunami.

**Beyond the Trilateral**

Both episodes were/are expressions of mutual dependence and assistance, particularly in that they differentiated political issues from larger humanitarian considerations. However, politics and security concerns do not always seem to go hand-in-hand. India may have been slighted by Sri Lanka under the previous President Mahinda Rajapaksa, when Chinese submarines were allowed to berth in its ports and transit Sri Lankan waters² purportedly to the Gulf of Aden on anti-piracy missions.

The two nations, under the respective dispensations of different times, seemed to have implicit apprehensions about India entering into unilateral maritime security arrangements with nations such as the USA, Australia and Japan. From the perspective of the two nations, the Indian engagements have been unilateral. However, unlike in India, where both security and neighbourhood policies are not influenced overly or overtly by political changes, in Sri Lanka and the Maldives, domestic politics and perceptions, independent of Indian concerns and their concerns about India have also been a factor in the two nations designing and re-designing their own security policies, including maritime security engagements.

The time has come for India as the largest of the three nations in terms of the size of its land mass and its sea-area, as also its economy and military, including the navy to look beyond the existing nature of the trilateral engagement and take new and bold initiatives. In this regard, the willingness on the part of New Delhi to engage other nations within a framework that carries the baggage of both political and operations limitation is imperative. The nature of military-to-military ties with the littorals of the Indian Ocean has been quite satisfactory, though there is much scope for their doing more and together. Pertaining to the southern island-neighbours, the maritime cooperation arrangement has, thus far, been able to balance security needs and concerns on the one hand, and the political realities and compulsions on the other. The ability to balance divergent views and concerns on the security front as well as the political spectrum could be the cornerstone of India’s emerging maritime outreach.

The need for such a complex and complicated architecture is a necessity, at least in the medium term, since most, if not all, the nations within the Indian
neighbourhood, including the littorals of the Indian Ocean, share a degree of optimistic outlook towards India that is either accompanied or clouded by a large dose of scepticism about both India’s capability and capacity to lead. To conclude, the Trilateral Agreement, though neither a broad spectrum security arrangement, nor anywhere near being a security pact, has been a welcome development. It has been able to transcend the thin divide between political ties, military engagement, and addressing common concerns. This Trilateral, though still in its initial phase, could be the blueprint for India’s emerging and enlarged engagement with her maritime neighbours. Indeed, it is already proving to be one.

14 September 2015

Notes


Maritime Security, Naval Operations and Capabilities
The Expanding Maritime Geography of the Chinese Navy

Vijay Sakhuja

The Chinese and the Russian navies have announced plans to hold joint naval exercises in the Mediterranean Sea. The exercises would involve two Chinese ships belonging to the 19th task force which is deployed in the Gulf of Aden for counter piracy operations and six Russian ships from the Black Sea fleet. According to the Chinese Defense Ministry spokesman, the Mediterranean Sea Cooperation-2015 exercises aim to enhance naval interoperability to “jointly deal with maritime security threats” and are not targeted against any country.

Before the exercises, Chinese ships will make a port call at Novorossiysk to participate in ceremonies marking the 70th anniversary of Russia’s May 9 Victory Day celebrations. Later this year in September 2015, China and Russia have programmed naval exercises to mark China’s 70th anniversary celebration of the end of the War against Japanese Aggression.

The operational level military and naval engagements between China and Russia take place under two configurations i.e. the Peace Mission series of military exercises conceptualized under the Shanghai Cooperation Organisation (SCO) focus on counterterrorism. However, the 2005 Peace Mission exercises were held under naval settings in the Yellow Sea and the 2009 Peace Mission exercises were conducted in the Gulf of Aden in the Indian Ocean where the two navies engaged in counter piracy operation.

The bilateral naval exercises ‘Joint Sea series’ began in 2012 and have been held annually since then. These are generally conducted in the East China Sea and aim at “practical cooperation between the two militaries, to raise the ability to jointly deal with maritime security threats” and involve a number of submarines, warships, aircraft and naval infantry. Apparently, the Joint Sea 2013 was in response to the US-Japan amphibious war games code-named Dawn Blitz which may have targeted
China. The Joint Sea Exercise 2014 involved 14 naval vessels including submarines and aircraft.

Interestingly, Russian and Chinese naval vessels (Pyotr Veliky and Yancheng) operated together in support of 2013 UN Security Council resolution and the Organization for the Prohibition of Chemical Weapons (OPCW) request to escort Danish and Norwegian vessels carrying chemical weapons out of Syria. Earlier, Russian ships patrolled the coast of Syria to prevent NATO from undertaking missile attacks against Syria.

There are at least four reasons for China to conduct exercises in the Mediterranean Sea. First, the ongoing volatility in the Islamic world prompts China to keep the PLA Navy deployed in the region to render support in case an evacuation crisis develops in the future. The PLA Navy helped the successful evacuation of 35,800 Chinese workers from Libya in 2011 and more recently in April 2015, the evacuation of 900 people including Chinese and foreign nationals from Yemen. These operations have encouraged China to maintain a near continuous presence in the Red Sea-Mediterranean Sea to exhibit its soft power and boost global confidence in China’s ability to deliver public goods.

Second, these exercises should be seen in the context of the PLA Navy’s engagements in the Gulf of Aden in counter piracy operations since 2008. It took the opportunity to participate in naval exercises in the Mediterranean Sea and probe NATO’s backyard. The UN Security Council has extended the mandate for international navies to continue counter piracy operations till November 2015 and the PLA Navy can be expected to continue deployment in the Gulf of Aden.

Perhaps the third reason is that China is hoping to sell to Russia the Chinese Type 054A frigates and a Russian defence expert has observed that there are a number of technological commonalities between the Russian and Chinese ships and the Russian technical requirements of “weapons and electronic equipment can easily be replaced with domestic alternatives.”

Fourth the Chinese naval presence in the Mediterranean Sea also comes in the backdrop of its commercial interests in the port of Sevastopol. A Chinese company Beijing Interoceanic Canal Investment Management (BICIM) had drawn plans to develop a port-cum-special economic zone in Sevastopol. However, the plans were frozen after the Ukrainian crisis unfolded and Russia took control of Crimea. In 2014, Russia offered China to develop a $1.2-3 billion transport corridor to Crimea across the Kerch Strait which
would make China the first investor in Crimea after it became part of Russia. China also has interest in the two container terminals in port of Piraeus in Greece where the Chinese shipping conglomerate COSCO has made a bid to operate these. These developments showcase the expanding operational geography of the PLA Navy from the Yellow Sea through the Red Sea into the Mediterranean Sea.

At another level, China and Russia are signalling to the US and its European allies that the Mediterranean Sea Cooperation-2015 exercises are an expression of the strength of their strategic partnership. Also, the Chinese and Russian navies are capable of operating simultaneously in the eastern and western theatres thereby tiding over the tyranny of geography. Finally, Russia is sending a message that it is not deterred by the financial sanctions imposed by the US and the EU, and China cannot be challenged by the US rebalance to Asia.

8 May 2015
China’s Yuan-class Submarine Visits Karachi: An Assessment

Gurpreet S Khurana

In May 2015, a Chinese Type 041 Yuan-class submarine (pennant number 335) entered the Indian Ocean and made a week-long port call at Karachi, Pakistan. This development caused alarm in India, at least in the media circles, particularly since it comes barely six months after the first-ever Indian Ocean deployment of China’s Song-class submarine between September and November 2014, and its docking in Sri Lanka’s Colombo port. Notably, following the Colombo docking, NMF viewpoint titled “PLA Navy’s Submarine Arm ‘Stretches its Sea Legs to the Indian Ocean’” of 21 November 2014 had predicted future Chinese submarine dockings in Pakistan’s ports. These seminal developments call for an objective assessment in terms of China’s intent underlying its submarine deployments in the Indian Ocean and its implications for India.

Alike the port call in Sri Lanka, China is likely to justify the submarine visit to Pakistan as a replenishment halt enroute to PLA Navy’s ongoing counter-piracy mission in the Gulf of Aden. However, these deployments may be seen in context of the growing volatility of the security environment in the South China Sea, including the increasing brinkmanship between China and the United States. In case of a maritime conflict in the area, China’s energy shipments transiting the Indian Ocean are strategically vulnerable. Through its submarine deployments, China may be seeking to deter its potential adversaries against interdicting its Sea Lines of Communication (SLOC) in the Indian Ocean.

By virtue of its opaque operating medium, a submarine has always been a potent platform of war. The technological advances in satellite and air surveillance have not been able to offset the submarine’s inherent advantage of stealth. On the other hand, the advances
in underwater weaponry – particularly submarine-launched anti-ship and land-attack missiles – have further enhanced the submarine’s lethality. The only constraint of a conventional (diesel-driven) submarine – like the Song-class – is to re-charge its batteries, for which its need to come up to the sea surface (for access to atmospheric oxygen) every two or three days, depending upon the usage of the batteries. This limits the submarine's operational role and makes it highly vulnerable. However, Air Independent Propulsion (AIP) technology – such as on the Yuan class – has eased this constraint substantially, since its stored liquid oxygen enables the submarine to operate underwater for an extended durations of as much as two to three weeks.

Among the aims specific to the Yuan 335 call at Karachi, the foremost may be to showcase the Yuan to the Pakistan Navy. Notably, news-reports indicate that Pakistan Navy (PN) is likely to acquire up to eight Chinese Type 41 Yuan-class submarines. The contract between Karachi Shipyard and Engineering Works Limited (KSEW) and China Shipbuilding and Offshore International Co. Ltd. (CSOC) includes building some of these at KSEW. These submarines are equipped with Sterling AIP system, which the Chinese claim is more efficient than the AIP systems currently available in the world. The week-long docking of the Yuan at Karachi – too long merely for replenishment – may also have been utilised for training of the KSEW and PN personnel on the submarine, and its machinery and weapon systems, particularly the AIP system.

In broader terms, the two sets of Chinese submarine forays into the Indian Ocean (Colombo and Karachi) are likely to be ‘trial balloons’ for regular operational deployments of Chinese submarines in the region. The current deployments are also likely to be meant to familiarise the PLA Navy with the new operational environment in the Indian Ocean, train them for distant missions, collect intelligence, and collate hydrographic data specific to the Indian Ocean, which is essential for future submarine operations in the region. At present, the Chinese submarines need to replenish only fuel, food and fresh water. In the longer term, with the PN (and some other regional navies such as the Thai Navy) operating the same submarines, the PLA Navy is likely to benefit from a more comprehensive logistics support – technical services, machinery and equipment spare-parts and even ammunition. This will enable the Chinese submarines to remain
deployed in the Indian Ocean for extended periods.

While China may continue to deploy its conventional submarines in the Indian Ocean, these are likely to be supplemented with the upgraded version of its new-generation Type 093 nuclear attack submarines (SSNs), whenever these are operationally deployable. These SSNs are likely to be armed with anti-ship and land-attack missiles, and capable of launching Special Operations Forces (SOF) via Swimmer Delivery Vehicles (SDV). Since SSNs do not need replenished, these submarines would not need to enter any regional port, unless China wants to demonstrate a deterrent posture.

China and India share a complex relationship, competitive, and even potentially adversarial. Hence, even if increasing Chinese submarine deployments in the Indian Ocean is not directly targeted at India, the development has severe national security implications for New Delhi. The response to increasing Chinese submarine forays in the Indian Ocean lies in developing affective air, ship and submarine based Anti-Submarine Warfare (ASW) capabilities, including sub-surface Maritime Domain Awareness (MDA).

24 July 2015
In May 2015, China released its biennial 2014 Defence White Paper titled ‘China’s Military Strategy’. It indicates that the PLA Navy would undertake a more proactive protection of its interests in ‘open waters’, which implies – albeit implicitly – the waters of the Indian Ocean. The White Paper also brings to the fore PLA Navy’s strategy for the ‘sustenance’ of the forward-deployed naval platforms in these waters through “strategic prepositioning”. What precisely does this mean?

Until lately, strategic analysts worldwide were smitten by the concept of ‘String of Pearls’ propounded in 2005 by Booz Allen Hamilton - a US based think-tank. The scholarly extrapolation of China’s increasing geopolitical and strategic presence in the Indian Ocean Region (IOR) led to the prognosis that its port and maritime infrastructure projects in the IOR were precursors to China eventually establishing military bases in the region. In case of an armed conflict, such overseas military bases would be valuable for China to protect its strategic interests in the interests, particularly its crude-oil imports. These bases could provide logistics support the Chinese maritime-military forces in the region *inter alia* in terms of machinery and equipment spare-parts, technical services and ammunition depots, besides general replenishment of fuel, food and water. Analysts in India generally took the lead in the academic inquiry into the potential of the Chinese military bases in the IOR.

Rattled by the String of Pearls ‘theory’, Beijing decried the military-strategic connotation of its financial and technical assistance to the IOR countries; and devoted much intellectual capital to prove that its intent was only economic and commercial. Among its efforts in this direction, the Chinese Academy of Social Sciences (CASS) published the June 2013 Blue Book called ‘Development Report in the Indian Ocean’. The Blue
Book said that China has no maritime (-military) strategy for the Indian Ocean. The Maritime Silk Road (MSR) concept initiated by President Xi Jinping later that year in October 2013 was used to reinforce the message that China sought only economic objectives in the IOR.

However, analysts and the media – particularly in India – persisted upon China’s doctrinal intent to develop military bases in the IOR, averring that the MSR was only a ‘reincarnation’ of the ‘String of Pearls’ concept. Notably, the Indians are not the only ones wary of the potential of PLA Navy’s use of the maritime facilities in the IOR. Notwithstanding the strategic convergence between Indonesia’s ‘global maritime axis’ and China’s MSR concepts, eminent Indonesian statesmen have advised Jakarta to be cautious since the maritime infrastructure being constructed through MSR could be used by China for ‘military penetration’.

In July 2015, news-reports indicated that Maldives was encouraging foreign entities to own its island territories to undertake land reclamation. Coming amidst the growing anxieties caused by China’s controversial “island-building” activities in the South China Sea, this reinforced the theory of ‘Chinese military bases’ in the Indian Ocean. Even while Maldives is under severe strain of the long-term effects of sea-level rise caused by climate change, its government is unlikely to be ignorant of the near-term adverse geopolitical and security consequences of permitting Chinese military bases on its territory. Besides, it is most unlikely that the Chinese would need such bases anyway.

Since 2011, China has been seeking a hub-and-spoke logistics support agreements with the IOR countries like Seychelles and Djibouti. Undeniably, therefore, China is seeking access facilities in the Indian Ocean, whether known by the ‘String of Pearls’ nomenclature, or fructified through the ‘MSR Concept’. Some more bilateral pacts may be added over time. However, these are not potential Chinese ‘military bases’, but agreements for peace-time replenishment of fuel, food and water for Chinese naval units, something that even India has forged with many countries, including those in the western Pacific littoral.

China’s intent to sustain its naval forces in the Indian Ocean through the concept of ‘sea-basing’ has not been widely noted. The concept refers to a naval capability to undertake overseas military missions of expeditionary nature without reliance on land-based operational logistics and command and control infrastructure, either of home bases or the overseas bases. The concept was developed by the US expeditionary
forces, largely due to the increasing constraints to maintain overseas military bases, besides for catering to the emerging concepts of amphibious warfare.

This high probability of the PLA Navy’s resort to ‘sea-basing’ concept is supported by its July 2015 induction of the first ‘Mobile Landing Platform’ (MLP) similar to the US design. The U.S. expeditionary forces are themselves new to the MLP concept. China is also known to be building naval Logistic Support Ships with roll-on, roll-off (ro-ro) design and bow and stern ramps optimised for amphibious operations.

The numbers of PLA Navy’s advanced underway replenishment ships are also increasing. Notably, media reports indicate that in June 2015, China launched its fifth Type 903A replenishment ship, and more are under construction. With these six new replenishment vessels added to the older fleet tankers, the PLA Navy is clearly being given the means to support distant missions in the IOR.

PLA Navy’s own increasing sea-based logistics capability could be supplemented by the capacity of state-owned commercial ships, following the implementation of the new guidelines for building merchant ships to conform to naval standards. These guidelines called “Technical Standards for New Civilian Ships to Implement National Defense Requirements” were approved by the Chinese government in June 2015. The guidelines lay down not only the provisions to requisition civilian ships for naval missions, but also how future construction of Chinese merchant vessels would need to adhere to naval specifications.

China is also formulating a ‘National Defense Transport Law’ to cover the additional financial costs of shipbuilding and insurance for employment for military missions. These commercial vessels are quite numerous. According to statistics from China’s Ministry of Transportation, in 2014, about 2,600 ships are capable of ocean transport, which represents a major element of asymmetry with any major navy operating in the Indian Ocean. The US Navy’s 31 Maritime Prepositioning Ships (MPS) of its Military Sealift Command (MSC) pales in comparison.

The concept of ‘military base’ necessary for executing a full-fledged armed conflict may be a thing of the past. Politico-military manoeuvres in short-of-war situations are more contemporary. Therefore, in the foreseeable future, a maritime-military strategy that combines ‘peacetime replenishment’ with ‘sea-basing’ may be more than adequate for Beijing to meet its national-strategic objectives in the IOR.

3 August 2015
India Needs Sea-Based ‘Active’ Deterrence against State-Sponsored Terrorism

Gurpreet S Khurana

In early-March 2015, the Indian government created a new post of Additional Director General (ADG), Indian Coast Guard (ICG). The ADG has been assigned the responsibility for coastal security off India’s western seaboard, comprising the coastal provincial States of Gujarat, Maharashtra, Goa, Karnataka, Kerala, Lakshadweep and Minicoy Islands and the Union Territory of Daman and Diu. Coming in the wake of the reported interception of the Pakistan-based suspect terrorist boat off Gujarat coast on the New Years day and the ensuing developments, it indicates that the Indian security establishment is thinking hard how to secure its western frontiers against state-sponsored terrorism.

Ever since Pakistan opted for proxy war strategy – leading to the Kargil Conflict (1999) and Mumbai terror strikes (2008) – the asymmetric threats to India have increased manifold. The rise of religious fundamentalism in West Asia coupled with Al Qaeda’s intent to shift their operations to the Indian subcontinent could encourage the Pakistan-supported terrorist groups to target India across its land or maritime frontiers. Following the September 2014 incident involving the unsuccessful bid by Al Qaeda operatives to hijack PNS Zulfiqar, the Indian Navy placed its warships on high alert. The alert was prudent since a maritime-terror strike may have been planned against India concurrently.

Besides the organisational revamp (as indicated by creating a new designation of ADG, ICG), a comprehensive response to the emerging threat may involve a re-appraisal of ‘concepts’ and the attendant ‘capabilities’. This essay aims to propose a reorientation in this direction.

Concept of ‘Deterrence’

Conventional deterrence is meant to prevent military aggression against
own country by convincing a potential aggressor that resorting to force is not cost-effective, and thus not an option. Traditionally, India has resorted to a ‘passive’ form of deterrence. It seeks to deny the gains to the potential adversary, regardless of the cost (deterrence by ‘denial’). It involves maintaining an implicit, though credible military capability, strategy and readiness. Since the 1971 Indo-Pakistan War, a full-scale armed conflict has not been thrust upon India. This indicates that India’s ‘passive’ deterrence has been effective to prevent a conventional war.

However, such deterrence has been ineffective against Pakistan’s proxy war strategy involving the use of terrorism “to bleed India through a thousand cuts”, which led to the Kargil Conflict in 1999, and the subsequent intrusions by Pakistan-based terrorist groups into India via the land and sea routes.

Conceptually, therefore, India may need to shift from ‘passive’ to ‘active’ deterrence. ‘Active’ deterrence requires the possession of a robust military capability for retaliation, and a commensurate overt politico-military posture that assures the potential aggressor of unacceptably high costs. If a mere ‘possession’ of retaliatory capability is insufficient, India could even resort to ‘deterrence by punishment’. Also known as the concept of ‘compellence’, it entails infliction of escalatory punishment upon the opponent by effecting damage and destruction, with the threat of continued use of force until the opponent acquiesces to the demands. It is however, important to note that in the concept of ‘compellence’, the application of punitive military force needs to be carefully calibrated to prevent the outbreak of an armed conflict. This is particularly essential in case of Pakistan that brandishes its nuclear weapons capability – including tactical nukes – on every opportune moment.

The Question of ‘Capability’

Over the years, India has been severely affected by Pakistan-sponsored terrorism. Assuming that New Delhi does mobilize the political will to opt for ‘active deterrence’, it would need to address the question of ‘capability’. Since the Mumbai terror strikes of 2008, the capabilities of the Indian maritime forces are being augmented progressively. These range from additions of new surface and air platforms for policing and surveillance, to incorporation of technological ‘force-multipliers’ like coastal radar and Automatic Identification System (AIS) stations and the Information Management and Analysis Centre (IMAC) for enhanced Maritime Domain Awareness (MDA)
in the coastal zones. However, all these are defensive capabilities optimised for coastal security; and at best, cater for limited ‘passive’ deterrence.

For ‘active’ deterrence, India may need to augment its retaliatory capability in a manner that it can also effectively control escalation. Naval forces can deliver a retaliatory strike from anywhere in the international waters and from all dimensions of that space (surface, sub-surface and air). Furthermore, by virtue of its inherent attributes of flexibility and poise, naval power can be applied in a restrained or covert manner – through surgical or precision strikes – to effectively limit its escalation to within the threshold of armed conflict. Hence, the Indian Navy offers a viable option to the political leadership shift from ‘deterrence by denial’ against Pakistan to ‘deterrence by punishment’.

25 March 2015
Deep-Sea Fishing: A Solution to India-Sri Lanka Fishing Issue?

Shereen Sherif

After being elected for the fourth term as Sri Lanka’s Prime Minister, Ranil Wickremesinghe chose India as his first destination for a foreign visit. He met the Indian Prime Minister Narendra Modi in Delhi on September 2015; and among other issues, they discussed fishing dispute between the two countries.

It is well known that Indian fishermen are often arrested and occasionally shot at by Sri Lankan authorities for straying into Sri Lankan waters. The straying of fisher folk is largely due to ambiguity of boundaries at sea, but more importantly, it indicates a willful transgression by Indian fishermen, leading from the depletion of the marine resource in the Indian side of the Palk Bay and Gulf of Mannar due to over-exploitation. Notably, bottom trawling by Indian fishermen in these relatively shallow waters is a major cause for significant fall in fish potential of these areas.

Towards amicably settling the disputes, PM Modi remarked that this is essentially a humanitarian issue and that fishermen associations from both sides may continue their efforts to find a solution. Furthermore, he encouraged the fishermen to shift their activity from shallower coastal waters to the deep-sea.

Modi’s call to consider the issue as “humanitarian” may have been meant only to mollify the hard stance being taken by the Sri Lankan authorities against the Tamil fishermen; and since it involves the question of livelihood, to push them to consider the straying of Indian fishermen in a more humane light. Further, although his prodding the fishermen associations of India and Sri Lanka could foster greater bonhomie between the two fishing communities, it may not lead to a viable solution to the dispute. Although a common Tamil identity seems binding, the relations of fishermen between the two countries are presently characterized by competition. It is, therefore, unlikely for the two
fishing communities to achieve any breakthrough in what seems to be a ‘zero-sum’ scenario, without mediation by the government agencies.

Deep-Sea Fishing: ‘Old Wine’

Essentially based on the concern of sustainability of the marine resources, PM Modi’s third proposal that fishermen be encouraged to undertake deep-sea fishing is along the lines of the recommendations proposed by the Meenakumari Committee (Expert Committee for Comprehensive Review of Deep Sea Fishing in the Exclusive Economic Zone) to address the fast-depleting marine resources. Since non-compliance of regenerative fishing principles adversely affect the livelihood of fishermen, there was a need for provisions to make the industry more sustainable. Modi’s call to usher in ‘Blue Revolution’ in fisheries sector came in the wake of the Meenakumari Report, whose findings were tabled in August 2014. The mandate of the Committee was as follows:-

- Examine status of compliance of regional and global requirement of management and regulation of fisheries.
- Review the existing guidelines for deep-sea fisheries.
- Suggest exploitation potential in EEZ and international waters.

The Meenakumari Committee noted that waters up to 200 m depth are optimally exploited and there is no scope for expansion of fishing in the 200-500 m stretch. It recommended transforming this stretch into a buffer zone encouraging resource utilization beyond 500 m. However, Indian fishermen currently lack adequate expertise to exploit resources beyond 500 m depth. Therefore, Letter of Permission (LOP) is required to be granted to foreign vessels to fish in these waters, or for Indian vessels to employ foreign crew, encouraging the concept of ‘capitalist deep-sea fishing’.

 Tradition versus Technology

The proposed policy of deep-sea fishing has been initiated several times in the past, but its implementation encountered opposition from the fishing community. Even while deep-sea fishing is meant to be an overarching policy for transforming the fisheries sector, it has major voids because it fails to incorporate the vital interests of the prime stakeholder—the fisherman—into its framework.

The Tamil fishermen of Sri Lanka and India are traditional fishermen who engage in near-shore fishing activities. Being a highly capital intensive method
necessitating advanced technologies, the domestic capacity of traditional fisher folk has not been expanded to match the capital and technology intensive deep-sea fishing.

Given the inadequate domestic capacity to harvest offshore marine resources by traditional fisher folk, deep-sea fishing would invite foreign fishing vessels and joint venture operations placing traditional fishers and owners of small motorized boats at a direct disadvantage. The advantages of the deep-sea fishing in the form of subsidies and increased resource turnover may not reach them. Additionally, developing domestic infrastructure for industrial fishing is a time consuming process, challenging the livelihood of the traditional fishermen who are in the brink of being transformed as wage earners for ‘capitalist deep-sea fishing’.

Owing to the domestic infrastructural inability to engage in deep-sea fishing, fishermen associations feel that there is little or no applicability of the provisions the Committee as a measure to resolve outstanding disputes between India and Sri Lanka. To them, an immediate solution to the problems lie not in deep-sea fishing as conceived in the Meenakumari Report, but possibly by adapting provisions of deep-sea fishing to fishermen needs in terms of developing their capacity and capability. Augmenting fish production by enabling the traditional fisher folk to effectively imbibe deep-sea fishing techniques and taking steps to hasten capacity building thus becomes essential.

**The Way Ahead**

Since 1991, efforts have been made on many occasions to undertake deep-sea fishing ventures. However, they have not been effective. The lax nature of policy implementation and lack of adequate technological capacity to engage in deep-sea fishing have been the major impediments.

PM Modi’s suggestion on the lines of Meenakumari Committee recommendation is a step in the right direction. However, it will become an implementable solution only when the capabilities of the fisher folk are developed to harness deep-sea resources rather than resort to ‘capitalist deep-sea fishing’. This can be achieved by adopting a two pronged approach; enhancing their capability in terms of training/expertise and capacity building in terms of technology / hardware. The fishermen—hitherto used to traditional means of fishing— can be brought within the ambit of the suggested way forward by adequate training, technology enhancement, extending
loans to procure deep-sea fishing vessels and providing subsidies on fuel.

In sum, amidst reasonable reservations placed on the efficacy of the solutions suggested by Modi, with appropriate adaptation, deep-sea fishing could be a viable proposition to address fishing disputes and mitigate problem of fisheries resource depletion in a more sustainable manner.

26 October 2015
India’s Yemen Evacuation: An Evolving Doctrine

Gurpreet S Khurana

On 10 April 2015, India concluded Operation Rahat, its major civilian evacuation mission in Yemen, amidst a tense security situation. The mission involved the sealift and airlift of 4,640 Indians, besides 960 foreign nationals. While the sealift was undertaken by Indian warships and transport ships, the C-17 aircraft of the Indian Air Force and Air India flights undertook the airlift.

Operation Rahat falls within the doctrinal rubric of ‘Non-Combatant Evacuation Operations’ (NEo), which refers to the evacuation of non-combatant (civilian) citizens from foreign countries affected by war, civil unrest or a natural disaster, to safe havens when their lives are endangered. The concept of NEO is articulated in the Indian Maritime Doctrine, 2009. This essay seeks to analyse trends with regard to the major NEO missions conducted by India so far.

The protection of its citizens abroad constitutes the responsibility of the Indian government. As an element of its foreign policy, it can be traced back to the address made by India’s first Prime Minister, Jawaharlal Nehru, to the Constituent Assembly as early as in December 1947. He said,

The history of Indian emigration abroad...reads almost like a romance... India is a country which, in spite of everything, has abounding vitality and spreads abroad...[something] that naturally frightens others who may not have the vitality in them, and they want to protect themselves against it... Questions then arise of vested interests that India has developed or Indians have developed there...While we cannot protect any vested interests, which injure the cause of the country they are in… undoubtedly we shall try to do our best to protect all legitimate interests.

The Trend

For many decades since Independence, India did not demonstrate its policy
with regard to the protection of its citizens overseas. It was only during the Persian Gulf War in 1990 when Saddam Hussein's Iraq invaded Kuwait that India airlifted more than one lakh Indians from Kuwait and Iraq using civil airlines.⁴ Notably, the evacuation is said to have been ‘mobilized’ by ‘public pressure’ in India, including the protest by the Members of Parliament (MPs) from the provincial state of Kerala outside the Parliament House.⁵ Notwithstanding, the operation is considered as ‘record-breaking’ in terms of the scale of the evacuation.⁶ During the second Gulf War in 2003, the Indian government, possibly anticipating a similar public sentiment, made an elaborate plan to airlift Indians from Kuwait using civil airlines; however, the ensuing scenario did not mandate its implementation.

In July 2006, the Israeli military offensive against Palestinian guerrillas in Lebanon placed as many as 12,000 Indians working there at immense risk. Fortunately, an Indian naval task force comprising four warships was in the Mediterranean Sea at that time. The warships evacuated 2,280 Indian and foreign nationals from Beirut to Larnaca (Cyprus), from where the people were flown to India aboard civil airlines.⁷ Operation Sukoon was pregnant with lessons at the operational level, such as in terms of sealift capacity and a rapid repose capability.⁸ For this, the Indian Navy’s NEO mission received global appreciation.⁹

During the 2011 Libya crisis, about 18,000 Indian citizens were trapped in the ‘crossfire’ of the Libyan Civil War involving the forces of President Muammar Gaddafi and the anti-government forces. At that time, the option of airborne evacuation did not seem feasible due to insecurity at the key Libyan airports. Although the seaports were also temporarily closed, three naval ships (including INS Jalashwa, the only large sealift platform with the Indian Navy till date) based on the navy’s inherent characteristic of poise (sustenance and flexibility)¹⁰ were sailed off for the NEO mission (Operation Safe Homecoming). Concurrently, merchant ships berthed in the Mediterranean ports were chartered for the evacuation. Eventually, before the Indian warships could reach Libyan ports, more than 15,000 Indian nationals in Libya were evacuated by commercial ships to Egypt, from where they were flown to India by civil airlines.¹¹

**Trend Analyses**

An analysis of such rescue missions reveals interesting trends, which cumulate to indicate India’s increasing
policy emphasis on NEO missions. The **first** trend is the increasing frequency of such missions. Assuming that there has been no major change in the global security environment in terms of the occurrence of wars, civil unrest, or natural disasters, this is the clearest indicator of India’s policy ‘reorientation’ to protect its citizens abroad.

The **second** trend is the increasing numbers of Indians evacuated vis-à-vis the total numbers present in the affected country. While the 2006 Lebanon NEO successfully rescued more than 2,000 people, after the mission was terminated, about 10,000 Indians were still in Lebanon, and many of them approached Indian embassy in Beirut for their return to India. However, during the 2011 Libya NEO, 15,000 of the 18,000 Indians present in Libya were evacuated. Most of the remaining 3,000 opted to stay back in Libya. In the case of the 2015 Yemen NEO, nearly all of the 4,500-plus Indians present in the war-torn country were evacuated.

The **third** trend is the increasing number of foreign evacuees. The 1990 Iraq and Kuwait evacuation involved only Indians, with probably the only exception being a US citizen of Indian origin, who was given a temporary Indian passport to fly to Delhi. However, during the 2006 Lebanon NEO, India evacuated 516 nationals of three countries: Sri Lanka, Nepal and Lebanon. In the recent Yemen NEO, India evacuated 960 foreign nationals of 41 countries.

The **fourth** trend is India’s demonstrated willingness to undertake NEO missions in insecure environments with all attendant risks involved. During the 1990 Persian Gulf mission, the adversity for Indians in Kuwait and Iraq was more due to deprivation (such as the shortage of drinking water) and the impending risks, rather than a severely hostile environment that existed in the case of later NEO missions. This was particularly true in the case of the Yemen NEO.

The **fifth** trend is the employment of a larger mix of NEO ‘vectors’: civil airlines, military transport aircraft, passenger ships and warships. Such an approach facilitates the quickest form of evacuation; but more importantly, it also caters for diverse unforeseen contingencies. For example, while airlift provides the quickest response, if local airports are not available or if the airspace is hostile, sealift would need to be resorted to. In such cases, chartered passenger ships sailing from close geographical proximity to the affected area could be used, as was done during the Libya NEO mission. Further, naval
ships are inherently self-contained and are versatile platforms to use defensive military force, if required.

**Assessment**

The above trends may be attributable to many factors that are closely interlinked. At the national-strategic level, it may be the increasing self-confidence of an emerging power that seeks to play a more proactive role not only to meet its sovereign obligation and secure its direct vital interests, but also to contribute to regional security and stability. The NEO missions undertaken by India in recent years have showcased the benign form of its ‘hard’ (military) power, and its willingness to ‘expose’ its armed forces to risk while evacuating foreign nationals of numerous countries. Notably, the USA did not undertake any NEO mission in Yemen, and simply issued a travel advisory for its citizens to seek help from the Indian Embassy in Aden.

Another key factor may be the increasing realisation of the importance of India’s overseas Diaspora. This could be mainly because of the inflow of remittances that have nourished the national economy. For some years now, India has been topping the global remittance chart. In 2014, it drew a remittance of US$ 70.38 billion, which constituted 3.7 per cent of its US$ 2 trillion GDP.\(^{13}\) Notably, such remittances from the large pool of India’s migratory workforce are considered more stable than other capital inflows. This makes it a reliable financial resource to tide over financial crises and economic downturns, and even enhance the recipient country’s sovereign credit rating.

At the military-strategic level, India’s growing strategic airlift and sealift capacity is among the key factors that have shaped the positive trends with regard to India’s NEO missions. This is not withstanding some critical voids which still persist, such as a quick-response expeditionary capability, with marines integral to the naval sealift platforms. Another crucial enabler has been India’s maritime doctrine that places much emphasis on the navy’s overseas presence and surveillance missions. It is noteworthy that, on two of the three latest crisis contingencies necessitating NEO, Indian warships were cruising in the vicinity of the affected countries.

**Conclusion**

While the underlying factors behind India’s successful endeavours in the NEO domain would need to be recognised and propagated, the lessons learnt from these missions would also need to be assimilated at all levels, ranging from national-strategic to tactical.
One of these at the higher (national) level could be to establish a permanent organisational structure in the central government possibly under the Ministry of Overseas Indian Affairs (MOIA) and in consort with the Ministry of Defence (MoD) to continually monitor the safety and security of Indian Diaspora abroad. At the operational level, India may need to streamline its Standard Operating Procedures (SoP), and even its Rules of Engagement (RoE), for undertaking overseas NEO missions. The imperative to do so lies in India’s interest in continuing to pursue the course it has charted for itself, based on the normative responsibility of an emerging major power, and the need to play a role that the Indian Prime Minister described in 2013 as a ‘a net provider of security in our immediate region and beyond’.14

21 May 2015

Notes


4 When Iraq invaded Kuwait, there were 172,000 Indian nationals in Kuwait, and another 9,000 in Iraq. The MEA Report states that more than 150,000 Indians were evacuated, through most other reports state the precise number was 111,711 Indians. Ministry of External Affairs (Government of India) Annual Report 1990–91, p.32.


6 The Indian government called it ‘one of the most successful operations of organised evacuation ever undertaken in recent history’. Ministry of External Affairs (Government of India) Annual Report 1990–91, p.32. See also, K.P. Fabian’s (Head of the Gulf Division of the MEA during this period), ‘Biggest Ever Air Evacuation in History’, Indian Foreign Affairs Journal Vol. 7(1), January–March 2011, p.93–107. According to Wikipedia’s ‘List of


12 K.P. Fabian (Head of the Gulf Division of the MEA during the period), ‘Biggest Ever Air Evacuation in History’, Indian Foreign Affairs Journal Vol. 7(1), January–March 2011, p.103.


Drinking Water Crisis in Maldives: India Leads the Way

Kapil Narula

A fire in the generator of desalination plant crippled the supply of fresh water to Male city on 04 December. The ‘Male Water and Sewerage Company’ runs the only plant which supplies fresh water to 120,000 residents located in 1 square mile of the island. Maldives declared it a ‘national crisis’ and announced a holiday for the entire week to tide over the situation. Maldivian President Abdulla Yameen also returned back from Malaysia after cancelling his visit. Male which does not have any natural fresh water source, responded by sending a ‘SOS’ call for help to India, Sri Lanka, China and the U.S.

India immediately dispatched an aircraft with 20 tons of bottled water which landed in Male on 05 December 14. Meanwhile Indian Naval Ship Sukanya which was patrolling off Kochi was diverted to Male. It covered the 450 nautical mile distance to deliver 35 tons of fresh water within 24 hours of the SOS. The onboard desalination plant, which has a capacity of making 20 tons fresh water per day, was also used and it transferred 65 tons of water to Male city through water barges. Meanwhile the Indian Air Force continued their relief operation and pressed two C-17 Globe Master-III and three, IL- 76, to transfer 153 tons of bottled water on 05 December. Another 130 tons of water was airlifted on 06 December and 80 tons was delivered on 07 December by the Indian Air Force transport workhorses. INS Deepak, an oil tanker, also reached Male with its stock of 900 tons of fresh water on 07 December. The ship also has an additional capacity of producing upto 100 tons of water per day from its onboard desalination plants.

In all 1200 tons of fresh water was positioned by India in Male by 07 December to tide over the crisis. Sri Lanka too expressed solidarity and airlifted a token amount of water, while China dispatched two civil aircraft carrying 8-12 tons of bottled water on
07 December. It also ordered its ocean rescue vessel to reach Male with 960 tons of fresh water. However, as China is approximately 3000 nautical miles from Male, it takes around 8 days for the passage. Bangladesh also responded by announcing that it was sending 100,000 litres of bottled water and five portable desalination plants on a naval ship, which left from Chittagong on 07 December.

The shortage of fresh water in Male however created a crisis situation. Although, the Maldivian government created a task force for distributing safe drinking water under the Maldives National Defence Force (MNDF), which was supported by the National Emergency Response Team (NERT) and Emergency Response Team (ERT), there were sporadic reports of street fights and attack on shops that distributed water, which led to tensions on Male’s streets. The distribution of water was alleged to be biased as only people of Maldivian nationality were given bottled water, free of cost, and that too after production of Maldivian identity cards. There were also allegations that labourers and workers from Bangladesh, India, Nepal, Pakistan and Sri Lanka were denied free water. This situation was later brought under control after a substantial increase in the supply of water, from friendly countries. The MNDF also replenished water from the water desalination plants located at Thulusdhoo Island, from where it takes around two hours to transport the water.

Although the event affected a large number of people in Male, there are many positive takeaways for India. The decision making, responsiveness of Indian armed forces, versatility of government machinery and flexibility of its military platforms has cemented India’s status as ‘first responder’ in the time of crisis for neighbouring countries. India also highlighted its regional leadership as well as both intent and capacity as a dependable partner for the Indian Ocean littorals. Although India has helped Maldives earlier in times of crisis, such as in 1988 to support the elected government against a coup, and in the Tsunami relief operations, the timely response by India is noteworthy and was commended by the Maldivian government.

While it took almost a week to ten days to restore the supply of water, and the situation eased out later, there are important lessons which need to be learned from the crisis. First, India needs to act as it did in this situation by responding immediately when asked for help. Second, the help offered needs to
be adequate and in good measure. Third, Small Island Developing States (SIDS) are vulnerable to the growing threats such as sea level rise from climate change and a country’s vulnerabilities is exposed in case of such events. Hence, bigger countries like India should increase its response capacity so that it can extend a helping hand to smaller countries. Lastly, all countries need to build up resilience to natural and manmade disasters and, should have emergency plans which have been sufficiently practiced to tide over the crisis, effectively.

While India gained worldwide appreciation for providing timely aid to Maldives, water crisis in Male should not be seen as an issue to fuel strategic competition. On the other hand, countries ought to support regional solidarity and need to coordinate their efforts to evolve robust relief support mechanisms which can be delivered to all countries in times of need.

6 January 2015
Maritime Cyber Attacks are a Reality

Vijay Sakhuja

The International Maritime Organisation’s (IMO) initiatives to ensure physical safety and security of maritime infrastructure have proven successful and a number of regulatory mechanisms are in place to ensure safe and secure commerce. The IMO is now developing guidelines against cyber attacks on the maritime infrastructure.

At the 94th session of the Maritime Safety Committee (MSC) in November 2014, a proposal for ‘voluntary guidelines on cyber security practices to protect and supporting the operations of ports, vessels, marine facilities and other elements of the maritime transportation system’ was adopted. Six months later, at the 95th session of the MSC, it was noted that the Member States, international organizations and shipping industry should ‘collaborate on proposals for guidance on maritime cyber security’ and submit these by the next session in 2016.

The above initiative by the IMO is noteworthy and clearly suggests that cyber risks to maritime critical infrastructure are real and prevention and mitigation of these is an important issue for global trade. Ports (vessel traffic management system, cargo data and port operations) and shipping companies (data of cargo, ship disposition, future routing, crew management, etc) are vulnerable to cyber attacks. According to one report, the online defences of 16 of the world’s top 20 container carriers had serious security gaps. Further, ship based computers and servers (electronic charts, onboard navigation and propulsion systems, safety and security sensors, other devices and instruments) are potential targets for cyber attacks.

There are a few documented incidents of cyber attacks on maritime infrastructure wherein the perpetrators successfully penetrated the networked computing systems. For instance, smugglers hacked into the port cargo handing data and were able to locate the containers with drugs which were pilfered without detection. Interestingly,
the smugglers even managed to tamper the cargo manifest and deleted the data of the shipment.

Spoofing, a technique that creates false signals to gain control of the command of computer system is a major concern for safety and security of shipping. Interestingly, during an experiment to test the penetrability of a ship’s command system and the probability of detection of cyber attack, the students at the University of Texas successfully spoofed the GPS of a yacht.

An industry report titled ‘AIS Data on the High Seas: An Analysis of the Magnitude and Implications of Growing Data Manipulation at Sea’ has concluded that there is a 30 per cent increase in ships reporting false identities for a variety of reasons including cargo and shipping information that can impact on commodity prices. Further, ships have been reported to transmit incorrect position and in some cases ships switched off the Automatic Identification System (AIS) and the long-range identification and tracking (LRIT), a mandatory equipment fitted onboard merchant ships to transmit their real-time position, ‘go dark’ to avoid detection for a variety of reasons.

Apparently, the Somali pirates ‘hand pick their shipping targets by tracking online the navigation track of the vessel’ by breeching into the AIS and the Electronic Chart Display & Information System (ECDIS), a computer-based navigation information system which can be used as an alternative to traditional paper charts. This information was critical for the pirates to track the vessel and launch an attack.

The offshore energy infrastructure such as oil rigs and drilling platforms are equally vulnerable to cyber attacks. A reported incident of spoofing involved hackers successfully tilting the floating oil rig which resulted in shutting its operations; it took 19 days to make it seaworthy again after computer malware were removed from the computers controlling the rig. According the British government, attacks on energy infrastructure have already cost UK oil and gas companies approximately US $672 million annually and cyber attacks on energy infrastructure could cost nearly US $1.9 billion to the energy companies by 2018.

Maritime cyber attacks are of serious concern to both for the maritime industry and the marine enforcement agencies. These can potentially disrupt economic growth and subvert national security. Nearly 90 per cent of global trade is carried over the seas and any disruption of the global supply chains
due to cyber attack can impact ‘just in time’ cargo supply that can severely affect the production chain.

At another level, fishing vessels switching off the AIS is of immense concern. These vessels are considered ‘eyes and ears’ and the first line of defence for maritime enforcement agencies, but could be creatively used by terrorist to launch attack. There are also fears of fishing vessels engaging in illegal activities and ‘gaming the system and manipulating AIS data’.

While the IMO engages in developing minimum standards for cyber security for global maritime shipping, the national maritime agencies need to engage in cyber security research and obtain a better understanding of the implications of spoofing of the maritime infrastructure. They also require a holistic cyber security policy which should includes specific assessment of maritime cyber risks including other critical assets which are dependent on maritime commerce. Cyber security awareness and training programmes for shipping companies and port authorities and educating the fishing industry of perils of cyber attacks would help in prevention and mitigation of the threat.

7 July 2015
Classification Rules for Naval Warships: Heralding a Change

Kapil Narula and Nitin Agarwala

The Indian Navy’s Maritime Capability Perspective Plan (MCP) provides for 200 ships by 2027 from the present strength of 137. With a theme of ‘Make in India’ and the vision of transforming the Indian Navy from a buyer’s navy to a builder’s navy, 41 orders for ships have been placed with the Defence Public Service Units (DPSUs), leaving 22 more ships and submarines to be built by 2027. With the order books of DPSUs full, the focus has shifted to the PSUs and private shipbuilders. The recently released Indian Naval Indigenization Plan (INIP) 2015-2030 also encourages domestic industries to participate in construction of ships and associated naval equipment in the country.

In light of the above, development of “Rules and Regulations for Construction and Classification of Indian Naval Combatant Ships”, released by the Indian Register of Shipping (IRS) in June 2015 is a significant step towards helping the domestic private industries attain a level playing field to design and build naval ships.

Classification of Ships

Shipping is a global industry without borders. In order to ensure that ships follow a minimum acceptable standard of structural safety, ships have been classified by specialized organizations, called the ‘classification societies’, since the 1700s. These classification societies formulate rules, validate designs, ensure maintenance of technical standards during construction, apart from undertaking periodic surveys during the life cycle of the ship to ensure compliance to laid down rules, thus ensuring safety of the ship at sea. It is important to mention that classification societies do not certify fitness or seaworthiness of a ship for sailing. Rather they certify that the ship complies with the required codes. A ship today either meets the relevant class rules or it does not.
There are more than 50 leading ship certification authorities in the world of which 12 are members of the Inter-national Association of Classification Societies (IACS), which ensures uniformity of application of standards across the globe. These members include American Bureau of Shipping (ABS, U.S.), Det Norske Veritas (DNV, Norway) - Germanisher Lloyd (GL, Germany), Lloyd’s Register (LR, UK), Class NK (Japan), Bureau Veritas (France), Russian Maritime Register of Shipping (Russia), Registro Italiano Navale (RINA, Italy), China Classification Society (China), Indian Register of Shipping (India), Korean Register of Shipping (Korea), Polish Register of Shipping (Poland) and Croatian Register of Shipping (Croatia).

During the construction phase, a ship builder can approach any of these classification societies for classification of the new ship. There is no binding by the location where the ship is build or by the flag state where ships would be eventually registered. Usually this decision is based either on the cost considerations or according to the preference of the owner. A sizeable number of Indian flagged ships are classified by the IRS, which was established in 1975 and is based at Mumbai.

The Classification Process

Once the classification society has been identified, the ship designer approaches this society for approval of design and subsequent drawings. Observations and comments according to class rules are incorporated as the project develops. The classification society, through its offices and network, spread across various countries, ensures inspection of materials, components, machinery and statutory items prior to use. This is to ensure that the end product conforms to the technical standards laid by the class. Once in service, the ship is subjected to periodic surveys to maintain classification till it reaches the end of life and is recycled. These procedures are well established and documented by the classification societies.

Issues such as safety, floatability and pollution which are statutory and based on the International Maritime Organisation (IMO) conventions are incorporated in the class rules to form a comprehensive and coherent set of standards for design, construction, maintenance and operation of ships. The class rules are applicable to:

- The structural strength of all essential parts of hull and its appendages.
The safety and reliability of the propulsion, steering system and other auxiliary systems.

- All machinery (including electrical and control systems).

- Fire safety and structural fire protection including fire fighting systems.

- Rules and material to be used for special types of vessels with specific requirements.

**Classification Rules for Naval Combat Ships**

Warships are not bound to follow rules and regulations promulgated by the IMO conventions as also rules that have evolved under national jurisdiction. Hence, naval ships have traditionally not been classified as the requirement is not mandatory. However, over the past two decades, leading classification societies such as ABS and LR in collaboration with their national navies have developed special rules for warships in an attempt to adopt the best of commercial and naval practices. For navies with limited technical resources, qualified manpower and ever shrinking budgets, partnering with classification societies has allowed for the continuation of ship building programs.

The French Navy was the first navy to implement warship classification rules for its naval vessels. The ‘Mistral’ class vessels (built by the DCN (naval shipyard) and Chantiers de l’ Atlantique (civilian shipyard)) were the first combatants to be classification rules compliant. Soon after, the FREMM program (27 European multi-purpose frigates) also adopted a set of classification rules developed by BV and RINA. The ongoing joint development of an aircraft carrier between France and UK is also poised to follow two different set of rules, ‘BV Naval Rules 2006’, will be used for the French project while ‘Admiralty Defence Standards’, will be applied to the Royal Navy.

Several other warships have been classed by BV which include BPC landing platform helicopter and landing ship docks for the Russian and French navy, patrol vessels for Spain, Tunisia, Algeria, Morocco (built at French shipyards), frigates for the Malaysian Navy (built at a Malaysian shipyard) and the tanker ship for the Pakistan Navy (built at Karachi shipyard). It is of interest to note that the 15 Fast Intervention Crafts (FIC) imported by the Indian Navy were built at Couach, France and are certified under BV class rules.
Classification Rules for Indian Naval Ships by IRS

The process of development of the rules for Indian naval ships commenced after the Indian Navy and IRS joined hands to develop Naval Rules in 2006. In the first instance, rules were drawn up and published for 'non-combatant' vessels in 2007 and were revised in 2010, in the light of experience gained in their usage. Following the release of rules for 'non-combatants', the development of IRS naval rules for 'combatants' was taken up. These rules have greater focus on the military aspects of ship design and include additional defence specifications. With the release of the IRS rules, it is hoped that the future ships of the Indian Navy will adhere to the laid down standards, which would improve the interoperability, ease of construction and will lead to cost cutting during the manufacturing stage.

Advantages for the Indian Navy

The Indian Naval warship construction program is spear-headed by the Directorate of Naval Design (DND) with inputs from respective professional directorates. The DND designs the ship using Naval Combatant Design Specifications (NCDS), Electrical Engineering Documents (EED), Defence Standards (DefStan), Military Specifications (Mil Specs), Indian Naval Book of Reference (INBR) and Naval Engineering Standards (NES). Based on this design, the DPSU shipbuilder produces production level drawings which are verified and approved by the DND prior to use during construction. The Warship Overseeing Team (WOT) located in the respective DPSU is responsible for conducting inspections to ensure compliance in accordance with the approved drawings and maintaining the requisite standards during the construction phase of the ship.

The Indian Navy is now looking to outsource design and construction of naval ships to private shipyards that are unfamiliar with the rules and regulations associated with the design and construction of naval ships. The class rules released by the IRS would therefore act as a single stop document. By adopting IR class rules, naval ships will accrue significant advantages, such as:

- Readily understandable and interoperable technical standards for design and construction of ships.
- Standardization of design against the internationally and commercially accepted and understood criteria.
- Opens up the possibility of third party surveys during construction to
satisfy if the ship is built in accordance with the approved design and rules.

- Offloading surveys during construction and in-service inspection to a recognised organisation with requisite skills and experience resulting in freeing up of limited manpower.
- With materials and components used during the construction of the ship being traceable, a baseline would be available for establishing records for in-service phase of the ships operational life.
- Facilitate better relationship with private ship-builders and enable cooperation between different navies which design and operate ships.
- It would be useful in making design choices for selecting ‘off-the-shelf’ equipment which are ‘type approved’ by the classification society thus reducing the cost of the platform.
- It would give impetus to private ship building industry and would leverage the best civilian practices in the field of ship construction.
- Availability of best practices in shipbuilding from across the globe since these rules shall be continuously updated with feedback from vessels in service.

Conclusion

Naval ship building in collaboration with private partners is poised to grow in India. Development of rules and regulations for construction and classification of naval ships in 2010 and for naval combatant ships in 2015, by the IRS, hints at the possibility of adoption of classification rules by Indian Naval Ships. Adoption of class rules by naval ships is a right step and will ensure many benefits for the Indian Navy especially in offloading some of the work load to civilian design agencies. Such a step would also be a progressive one, in line with other navies, which have achieved a higher degree of integration between the civilian and defence ship building industry. This would also guarantee a ‘third party’ certification of the safety of naval vessels. It is now just a matter of time before the class rules are adopted for the Indian Naval Ships and are integrated seamlessly in the design and construction process.

26 August 2015

2 Chief of Naval Staff Admiral R K Dhowan commented that the Indian Navy was the only force which was close to 100% indigenisation of its military assets. As on November 2014, 41 ships were under construction at various Indian Shipyards. “41 warships currently Under Construction - All Made in India” November 30, 2014, at http://defencenews.in/defence-news-internal.aspx?id=sf9vrbWSSS$swo (accessed August 04, 2015).

3 The Navy issued its first 15-year indigenisation plan in 2003 and then revised it in 2008 (valid for the period 2008-2022). The latest revision was done to dovetail it with the ‘Make in India’ pitch and the Navy wants to involve private industry in a big way in this initiative. The Navy has individual plans for capacity augmentation — the Indian Maritime Capability Perspective Plan for fleet augmentation, Maritime Infrastructure Augmentation Plan and the Maritime Cooperation Roadmap all of which are from 2012 to 2027. http://indiannavy.nic.in/sites/default/files/INIP%20%282015-2030%29.pdf (accessed August 05, 2015).


6 Ibid.
EUNAVFOR Mediterranean: Balancing Human Safety and National Security

Nitika Srivastava

Lately, the European Union (EU) is struggling to cope with the ongoing crisis involving large-scale human migration across the Mediterranean Sea. As a part of its comprehensive approach to the crisis, on 22 June 2015, the twenty-one countries of the EU launched a combined naval operation named EUNAVFOR Med (European Union Naval Operation in the Mediterranean). The key aims of the operation are to disrupt the rampant human smuggling and trafficking in the Mediterranean Sea, and to prevent the loss of migrant lives at sea. On 7 October 2015, the naval operation entered its operational phase and was renamed as Operation Sophia. This viewpoint seeks to analyse the EU’s naval approach to the migrant crisis.

Background

Earlier in 2013, in response to the migration crisis in Europe, the Italian government had launched Operation *Mare Nostrum*. The operation was triggered by the sinking of a boat carrying migrants off Italy’s coast of *Lampedusa*, and was thus primarily mandated for maritime Search and Rescue (SAR). However, in 2014, the Italian operation was scaled down and superseded by Operation *Triton*, which was launched under the aegis of the EU’s border security agency FRONTEX. Operation Triton was essentially meant to complement Italy’s effort to secure its maritime frontiers. Hence, the EU’s naval operation shifted focus from human safety to territorial security, and thus proved ineffective to prevent large-scale loss of lives at sea.

Earlier in 2015, the EU member states realised the gravity of the situation in terms of their national security and were compelled to institute EUNAVFOR Med. This was the second occasion ever when the EU naval forces formed a combined task force, and was as seminal as the first occasion when the
EU constituted the anti-piracy task force for Operation *Atalanta* in the Gulf of Aden.

The EUNAVFOR Med is being conducted in three sequential phases. The first phase involving investigation, surveillance and intelligence is over. The current ongoing operational phase involves boarding, search, seizure and diversion of vessels engaged in human smuggling. The third phase would involve the disposal of vessels and prosecution of human smugglers.

Although, a United Nations (UN) mandate was not necessary for the first phase of the operation, it is required for second and third phase since the effectiveness of the operation depends much on the cooperation of the coastal states like Libya. The UN Security Council Resolution (UNSCR) 2240 (2015) was adopted soon after the launch of the second phase on 7 October 2015. The resolution “authorize(s) UN member states for a period of one year to inspect vessels on the high seas off the coast of Libya… used for migrant smuggling or human trafficking”.

**Analyses**

The EU is a unique example of ‘pooled sovereignty’. It began as an economic union, but later emerged into a political union. Lately, compelled by national security considerations, the cooperation amongst the EU member states has graduated to the naval dimension. In 2008, the EU member states came together in Operation *Atalanta* to execute a naval operation against piracy. The successful operational coordination- and possibly the realisation of the need for a common strategy- led the EU to launch its own Maritime Security Strategy in 2014. This may have facilitated the second naval operation EUNAVFOR Med against the common threat of migrant smuggling.

Interdicting human smugglers is not the primary task of the navies; instead, it is the task of the constabulary forces to deal with such illegal activity. However, it is understandable that the EU naval force undertook Operation *Atalanta* since the anti-piracy mission was to be conducted in distant waters of the Gulf of Aden. While the ongoing migration crisis is closer home, the national security imperatives of the EU member states are so strong that employment of naval forces was considered inescapable.

Furthermore, some sections of the civil society have expressed apprehensions over the use of high-end military forces against the migrants and human smugglers as unjustified and inherently risky. However, such criticism may not be valid as the navies
are inherently versatile, and their Rules of Engagement (RoE) are tailored for any specific mission within the entire spectrum of conflict. Nevertheless, it may be conceded that identification at sea would pose a major challenge for the naval forces.

During Operation *Atalanta*, the UNSCR were issued under Chapter VII of UN Charter easily as piracy was seen as a threat to the international peace and security. However, mobilizing the UN Security Council (UNSC) to move a resolution for current migrant crisis in the Mediterranean Sea was seen as a challenge because such low-end security issue can hardly be interpreted as a threat to international security threat. Nevertheless, the UNSCR 2240 was eventually adopted, and within two days of the launch of operational phase of EUNAVFOR Med. Ostensibly, the UNSC mandate was to address the possibility of the ISIS (Islamic State of Iraq and Syria) operatives merging with the migrants at the sea, which is likely to have manifested in the Paris terrorist attacks of November 2015. This has a strong international security dimension; and hence, justifiable under Chapter VII of the UN Charter.

According to an analyst, the EU has traditionally been a soft power that believes in adherence to global norms; and hence, seeks to meet its normative international commitments. As is evident in the factsheet on EUNAVFOR Med operation on 23 September 2015, prevention of loss of life at the sea has been accorded due priority. However, owing to the overwhelming national security concerns of the EU member states, ostensibly, the humanitarian considerations was superseded by the imperatives to respond to the serious threat of human smuggling. Hence, an operation that finds its genesis in Operation *Mare Nostrum* optimized for maritime Search and Rescue eventually graduated to a maritime military operation against human smugglers.

**Conclusion**

While UNSCR 2240 has given a push to the operation, it is yet to be seen how this naval operation will strike a balance between the EU’s traditionally benign and humanitarian stance on the one hand, and its compelling national security concerns on the other. Further, it would be interesting to see how the countries of other regions take a cue from the EU’s response to this crisis, where national security imperatives are so compelling that the nation states of the region have come together to meet common objectives.

20 November 2015
Maritime Law and Jurisdiction
Can ASEAN Prevent the Inevitable in the South China Sea?

Rana Divyank Chaudhary

The 26th ASEAN Summit concluded in Kuala Lumpur on 27 April 2015 with the ministers once again ‘sharing concerns’ over the outstanding maritime territorial disputes in the South China Sea (SCS). In acknowledgment of certain member states’ alarm at China’s expanding footprint in the disputed island groups, a reference was made in the Chairman’s Statement this year to the “land reclamation being undertaken... which has eroded trust and confidence and may undermine peace, security and stability.” The statement is seen as an emerging consensus within the ASEAN towards common security challenges rooted in the SCS issues. Given that the 2012 Phnom Penh Summit did not result in a communique at all, a first in ASEAN’s history, is this fresh ‘rebuke’ aimed at China coherent with the regional body’s desired means of addressing the situation? Will ASEAN be able to work on newer areas of possible coordination as mooted by some analysts?

A Multilateral Non- Starter

The ASEAN members advocate full implementation of the 2002 Declaration on the Code of Conduct of Parties in the South China Sea (DoC) in accordance with the principles of peaceful co-existence to ensure stability in the region. Their adopted means of dialogue are channelled through the ASEAN-China relations framework and other multilateral fora. However, the nature of maritime disputes in the SCS is such that both bilateral and multilateral approaches have failed to take off thus far. Briefly put, China currently claims sovereignty over island groups spanning the entire SCS and Southeast Asian states too stake claim to individual island groups and are entangled with China in conflicting claims of sovereignty and sovereign rights.

Although the DoC was reached with hopes of multilateral conflict resolution showing the way forward,
China has been accused of intransigence on actionable strategies and preventive diplomacy. In effect, China does not want to ‘internationalize’ the disputes and rejects any negotiation centred on the concerns of claimants that may prove unfavourable in the end. The absence of any significant headway at a direct bilateral level has coincided with hostile flare-ups between the Chinese maritime forces and the Southeast Asian claimants in many instances.

With the multilateral approach rendered muted, the more directly involved and affected ASEAN member states have explored individual strategies, and have not shied away from military capability accretion or alliance-building in the recent years. Land reclamation in the SCS, the most controversial even though not an entirely new aspect of the disputes in the year 2015, also cannot be attributed to China alone. All claimants except Brunei have been reported to carry out habitational development and if Chinese reports are also to be cited, ‘fortification’ activities, in the disputed Spratly island group. More importantly, the DoC implicitly cautions against influencing the natural and legal status of geographical features in the SCS pending a comprehensive and durable settlement of the disputes. Since the determination of sovereignty claims have to precede an lasting settlement, any land reclamation can be justified depending on the side in the dispute one chooses to argue from.

The greater cause for concern is the potential of these artificial structures at sea to be used as military installations by the claimant states. Presently, the situation is rife with a security dilemma which mutually aggravates and further fuels the race to reclaim in the SCS. The ASEAN has not been an effective platform to address these hurdles and has not only failed to get China to commit to a concrete framework or even sustained dialogue towards a settlement but has also remained a divided house within itself.

**Negotiating without a Code of Conduct**

The haste with which China has pursued its strategic ends has shaken the cooperative face of its ‘New Security Concept’ for Asia. As China adapts towards a global posture, both the scale of its geopolitical ambition and the huge hard power differential that it enjoys, allows Beijing to ignore or circumvent a weak neighbourhood’s woes. Thus, the Chinese position on the disputes is not likely to transform anytime soon.

Unsurprisingly, the ASEAN’s verbal signalling does not cause a lot
of consternation in Beijing. The SCS disputes do not impinge upon the whole of Southeast Asia and has only a moderate effect on some of the regional states’ outlook towards China. Little surprise then that it remains a tall order to get all ASEAN members to stake their relations with China for the interests of a few. For these reasons, the Code of Conduct has remained elusive for over a decade as the claimants persistently move away from a framework for conflict prevention. It is futile to reiterate urgency for the Code until the states party to the disputes, including China, are satisfied with their current positions and see them as positions of strength. In a repeated game of non-cooperation where each side views the other’s actions as cheating, the spiral of retaliation becomes inexorable.

The recommendations from some observers for coordinated patrolling by Southeast Asian claimants in maritime zones currently claimed by China is unlikely to be a viable option in the short term in view of the existing military power gap between Beijing and the other claimants. In turn, it carries the added risk of degrading the security environment before a stable status quo is obtained. Another view is that the ASEAN must first reach a binding code of conduct among its own members before persuading China to show interest. This could possibly achieve some progress in stabilizing the status quo and could be further bolstered by diplomatic efforts from concerned states like Malaysia and Singapore to get to a non-partisan framework for dialogue where China’s concerns are also considered. There should be significant grounds for mutual understanding over the region’s extremely sensitive non-traditional security aspects such as degradation of the marine environment and loss of biodiversity on account of the detrimental consequences of land reclamation.

28 May 2015
Iran’s Diplomatic Initiatives: Maritime Dispute Settlement

Shashwat Tiwari

In May 2015, Iran and Oman agreed to demarcate the undefined stretch of their maritime boundary in the Persian Gulf. Both countries have now demarcated a 450 kilometres section of their maritime boundary that had not been defined earlier. It was the first substantial progress on the issue since 1975, when Iran began its maritime boundary talks with Oman or with any of its neighbours. Although, the specifics have not been made public, it has been declared that the boundary dispute has now been resolved. In the context of this significant development, it is worth examining maritime dispute settlement as a new focus area for Iran’s regional diplomacy.

Iran has many outstanding maritime boundary disputes with its neighbours, both in the Persian Gulf and the Caspian Sea. It has not settled any of its maritime disputes since the fall of Shah of Iran in 1979. In recent years, there has been a concerted effort by Iran to settle its maritime disputes with its neighbours, and this effort has gathered pace in recent times. According to news reports, Iran may settle its dispute in the Persian Gulf with United Arab Emirates (UAE) over its sovereignty over of three islands i.e. Greater and Lesser Tunbs and Abu Musa. According to the deal, “Iran will retain the sea-bed rights around the three islands while the UAE will hold sovereignty over the land,” and “Oman will grant Iran (sovereignty over) a strategic location on Ras Musandam Mountain.” The latter is strategically valuable since it overlooks the entire Persian Gulf region. In return, Oman will receive free gas and oil from Iran once a pipeline is constructed.

In the Caspian Sea, Iran has shown willingness to honour the Caspian Sea Convention being negotiated that will determine the legal rights of the littoral countries i.e. Iran, Russia, Turkmenistan, Kazakhstan and Azerbaijan. The Caspian Sea legal regime is based on two agreements signed between Iran and the former Soviet Union in 1921 and 1940. However, the three successor states have
not recognised the treaties entered by the Soviet Union, triggering a debate on the future status of the Caspian Sea and the need to have a new more acceptable framework to the rights of the Caspian littoral states.

Iran’s latest diplomatic push for the resolution of its maritime disputes comes at a time when Iran is trying to regain its place in the international community as a responsible actor in West Asia. The dispute settlement by Iran also needs to be viewed in the context of Iran’s case in P5+1 negotiations over its nuclear programme. It will also assuage the fears of the regional countries regarding Iran’s regional ambitions. Iran’s involvement in the regional politics of West Asia has been an issue, with the fault-lines of this mutual mistrust embedded in history and culture. The significance of maritime dispute negotiations and agreements lies in the fact that it will lead to a better security environment in the Persian Gulf, which is the lifeline of global energy supply. It will also lead to better coordination among the littoral states of the Gulf, which will also help in avoiding incidents like firing at Singapore flagged vessel ‘Alpine Eternity’ in international waters close to the Strait of Hormuz.

The dispute settlement pertaining to the three disputed islands between Iran and UAE will lead to vigorous oil and gas exploration activity, which will be beneficial for all the stakeholders of the region as well as international customers. In the Caspian Sea region, all littoral states are resource-dependent economies. Considering this, a settlement of maritime dispute over legal claims of the littoral states would help them meet their economic needs by better exploration and utilisation of natural resources of the Caspian Sea. The location of Caspian Sea also offers major opportunities for the littoral states to supply oil and gas to Turkey and as far away as the European markets, which will result in huge benefits for the Caucasus region.

Lately, US-Iran rapprochement at the nuclear negotiations and the changing regional security environment involving the rise of ISIS and civil war in Syria have also encouraged Iran’s liberal ideologue government to pursue a course-correction with respect to its neighbours as well as international stakeholders in the region. It seems that post the nuclear deal, the region will appear similar to what it looked like during the 1970’s. As during that time Iran, Israel and Saudi Arabia were major regional players. The relations among these players will be crucial in determining the security environment in West Asia. In such a scenario, Iran’s initiatives to resolve the outstanding maritime boundary disputes is an encouraging step.

26 June 2015
International Tribunal Order on ‘Provisional Measures’ 
in MV Enrica Lexie Case: A Preliminary Analysis

Raghavendra Mishra *

On 24 August 2015, a 21-member panel including judge ad-hoc from Italy at the International Tribunal of the Law of the Sea (ITLOS) pronounced its order on the Italian request for ‘provisional measures’ in the MV Enrica Lexie case. This case involves India and Italy, and is centred around the killing of two Indian fishermen by the Italian Marines off the Kerala Coast on 15 February 2012. The two accused Marines of the Italian Navy were part of a six-member anti-piracy Vessel Protection Detachment (VPD) and the incident occurred about 20.5 nautical miles from the Indian Coast while the Italian flagged tanker, MV Enrica Lexie was on its passage from Sri Lanka to Djibouti. Initially the ship was detained and two Marines arrested. While the ship was subsequently released on court orders, the two Italian Marines awaiting trial remain on bail, one each in Italy and in India, as per the orders of the Supreme Court of India.

This article seeks to examine the salient observations made by both ‘the Parties’ (India and Italy) during the recent hearings and those of the ‘Tribunal’ (ITLOS) in its 24 August Order. The sequence and details of events related to domestic legal processes as far as the trial of the Italian Marines are not addressed, since these are not germane to the issues under discussion, except to mention that the proceedings of the Special Court ordered by the Supreme Court of India are in abeyance.

The Road to International Arbitration

On 26 June 2015, Italy initiated proceedings against India seeking international arbitration in the MV Enrica Lexie case under Annex VII of the United Nations Convention of the Law of the Sea (UNCLOS) by serving the mandatory ‘Notification’ and the ‘Statement of Claim’. It is important
to mention that both India and Italy are parties to the UNCLOS. Italy through its 26 February 1997 declaration has chosen the ITLOS and the International Court of Justice (ICJ) as the means/choice of procedure for dispute settlement under UNCLOS, whereas India has not made any statement in this regard. Therefore, in the absence of a common means/choice of procedure, Annex VII becomes the default mechanism for future arbitration in the present case (UNCLOS Article 287 Para 5).

In its ‘Notification and Claim’, Italy has argued that India was in breach of international law, and UNCLOS provisions on multiple counts (Parts II, V and VII, in particular Articles 2(3), 27, 33, 56, 58, 87, 89, 92, 94, 97, 100 and 300). The major arguments put forth by Italy were:

(a) India’s unlawful arrest and detention of the Enrica Lexie;
(b) India’s interference with Italy’s freedom of navigation;
(c) India’s exercise of jurisdiction over the Enrica Lexie Incident and the Marines notwithstanding Italy’s exclusive jurisdiction over the same by virtue of the undisputed fact that the incident took place beyond India’s territorial sea, some 20.5 nautical miles off the Indian coast;
(d) India’s exercise of criminal jurisdiction over the Italian Marines who, as State officials exercising official functions pursuant to lawful authority, are immune from criminal proceedings in India; and
(e) The failure to cooperate in the repression of piracy by exercising criminal jurisdiction over the Enrica Lexie incident and the Italian Marines.

Request by Italy for Provisional Measures and India’s Response

On 21 July 2015, Italy made a submission to the ITLOS that, firstly – as India had not responded to its ‘Notification and Statement of Claim’ seeking international arbitration within the prescribed limit of two weeks and, secondly - considering India’s conduct in continuing with domestic legal proceedings pending constitution of arbitral tribunal; it was seeking ‘Provisional Measures’ in the Enrica Lexie case under UNCLOS Article 90 Para 5, which inter alia states:

“Pending the constitution of an arbitral tribunal to which a dispute is being submitted under this section,
any court or tribunal agreed upon by the parties or, failing such agreement within two weeks from the date of the request for provisional measures, the International Tribunal for the Law of the Sea or, ..., may prescribe, modify or revoke provisional measures in accordance with this article if it considers that prima facie the tribunal which is to be constituted would have jurisdiction and that the urgency of the situation so requires. Once constituted, the tribunal to which the dispute has been submitted may modify, revoke or affirm those provisional measures, acting in conformity with paragraphs 1 to 4.”

The reasons cited for this request for provisional measures were the ‘plausibility and jurisdictional applicability’ of the ITLOS in the Enrica Lexie case, ‘urgency’ of the situation and ‘serious and irreversible prejudice to its rights’ under extant international legal framework. In its request to the ITLOS for provisional measures, Italy made two specific requests:

(a) India shall refrain from taking or enforcing any judicial or administrative measures against Sergeant Massimiliano Latorre and Sergeant Salvatore Girone in connection with the Enrica Lexie incident, and from exercising any other form of jurisdiction over the Enrica Lexie incident; and,

(b) India shall take all measures necessary to ensure that restrictions on the liberty, security and movement of the Marines be immediately lifted to enable Sergeant Girone to travel to and remain in Italy and Sergeant Latorre to remain in Italy throughout the duration of the proceedings before the Annex VII Tribunal.3

India submitted its ‘Written Observations’ in response to ITLOS on 06 August 2015.4 India contested Italy’s recourse seeking provisional measures by reasons of:

(a) Italy’s assertion for the applicability of UNCLOS Article 97 in the present case is unjustified since no occurrence related to navigation or collision took place in the incident.

(b) The incident involved a merchant ship and registered Indian fishing vessel engaged in legally justified activity of fishing in its Exclusive Economic Zone (EEZ). The right of immunity from jurisdiction of any State other than the flag State is only applicable to ‘warships on high seas’ and ‘ships used only on government non-commercial
service’ (UNCLOS Articles 95 and 96). Further, Italy has not conducted any serious investigation of the incident thus nullifying its argument of ‘exclusive right of jurisdiction’ over the accused.

(c) The conduct of Italian Marines was in contravention of the declaration made by India on 29 June 1995 while ratifying the UNCLOS statement which states:

“The Government of the Republic of India understands that the provisions of the Convention do not authorize other States to carry out in the exclusive economic zone and on the continental shelf military exercises or maneuvers, in particular those involving the use of weapons or explosives without the consent of the coastal State.”

Italy through its statement of 24 November 1995 had contested this provision by India, which is quite similar to those made by Brazil, Cape Verde and Uruguay.5

(d) During the domestic legal proceedings in India, Italy on numerous occasions has participated in the process thus indicating its ‘acceptance and applicability’ of Indian legal regime in the case. The slow progress of domestic legal proceedings are attributable to the frequent delaying tactics used by Italy. In addition, India has shown due compassion by allowing both the accused to proceed to Italy without raising any undue objections whenever such requests have been made.

(e) All principles of natural justice have been followed during the course of domestic legal process by according due access to the accused across the complete ambit India legal mechanism. Further, the Italian submission does not address the aspect of justice to the victims/relatives of the deceased that were a target of legally unjustified (unnecessary/invalid) and disproportionate (excessive) ‘use of force’ by the Italian Marines.

India concluded by stating that Italy’s request for provisional measures at the ITLOS were inadmissible and ill-founded on the grounds of an absence of urgency since the domestic legal proceedings were in abeyance, there being
no possible prejudice to rights of Italy, its pre-judgment on the applicability of UNCLOS and, the ‘selective and partial interpretation’ of humanitarian aspects in the present case.

Both the sides explained their respective positions by reiterating the aforementioned rationale during the oral hearings at ITLOS on 10 and 11 August 2015. In addition, Italy and India extensively cited instances of case law in support of their viewpoints.

**Salient Aspects of ITLOS Order on Provisional Measures**

To contextualise the ‘final order by the ITLOS’ on Italy’s request seeking provisional measures on two counts as mentioned earlier, a brief enumeration and interpretation of operative observations made by the tribunal that are likely to have a bearing on future prospects of the case is considered necessary. These are:

(a) The Tribunal observed that, ‘there is a dispute between them [Italy and India] on matters of fact and law relating to the Enrica Lexie incident’; ‘a dispute appears to exist between the Parties concerning the interpretation or application of the Convention’ and; ‘the Tribunal finds that the Annex VII arbitral tribunal would *prima facie* have jurisdiction over the dispute’ (Para 51, 53, 54). These observations when read in conjunction indicate that Italy and India not only have differing views about the factual (narrative) and the legal dimension of the incident, but also have divergent perspectives on the applicability of UNCLOS in the case. The tribunal seems to agree that with the Italian position on UNCLOS finding applicability in the *Enrica Lexie* case. However, it is for emphasis that this is a preliminary interpretation evident from the use of term ‘*prima facie*’. The final decision on the ‘admissibility’ of Italy’s request for international arbitration and ‘jurisdictional applicability’ of UNCLOS will once again be deliberated at length and, the decision on these aspects would be taken by the arbitral tribunal for the case ‘if, as and when’ such a body is established.

(b) The tribunal order further states, ‘both Parties agree that an extensive exchange of views has taken place and that this did not lead to an agreement
between the Parties regarding the settlement of the dispute by negotiation or other peaceful means’ and; ‘having examined the circumstances of the present case, the Tribunal is of the view that the requirements of article 283, Paragraph 1, of the Convention [UNCLOS] are satisfied’ (Para 59 and 60).  
This indicates that attempts by India and Italy for ‘conciliation and negotiated settlement’ in the case have been unsuccessful and, recourse to international arbitration emerges as the only viable option. It is pertinent to mention that while Italy has chosen ITLOS as the forum for arbitration, India has the flexibility to agree or agree on this issue, in a strict legal sense. However, the empirical trend suggests that in most cases, the opposing party does not contest the choice of forum suggested by the initiating country, as along it is convinced about the jurisdictional effectiveness of the forum to deal with the issues that it wishes to bring forth. Therefore, in all probability, ITLOS would be the venue for further legal proceedings in the Enrica Lexie case.

(c) The 25 August ITLOS Order also observes that, ‘both Parties have sufficiently demonstrated that the rights they seek to protect regarding the Enrica Lexie incident are plausible’; ‘in the circumstances of the present case, continuation of court proceedings or initiation of new ones by either Party will prejudice rights of the other Party’ and; the above consideration requires action on the part of the Tribunal to ensure that the respective rights of the Parties are duly preserved’ (Para 85, 106 and 107). When read in conjunction, it is clear that the ITLOS panel examining the ‘Provisional Measures’ issue has found merit in the rationale and the arguments put forth by India and Italy both. However, it seems clear that the continuation of domestic legal proceedings in India is seen as adversely influencing the rights of Italy.

(d) The other three operative observations are - ‘the Order must protect the rights of both Parties and must not prejudice any decision of the arbitral tribunal to be constituted
under Annex VII’. ‘the first and the second submissions by Italy, if accepted, will not equally preserve the respective rights of both Parties until the constitution of the Annex VII arbitral tribunal as required by article 290, paragraphs 1 and 5, of the Convention [UNCLOS]’, and; ‘the Tribunal does not consider the two submissions by Italy to be appropriate and that, in accordance with article 89, paragraph 5, of the Rules [ITLOS Statute] , the Tribunal may prescribe measures different in whole or in part from those requested’ (Para 125-127).10 These statements make it clear that both the ‘Provisional Measures’ sought by Italy do not satisfy the criteria of being non-prejudicial to the rights of both the affected parties and as ‘impacting on the functionality of future arbitration proceedings’.

In light of these observations and statements, the final measure prescribed by the ITLOS panel was for India and Italy to suspend all court proceedings and not initiate new ones that could aggravate/prejudice the dispute submitted to Annex VII tribunal. It would therefore be evident that Italy’s request for India to not to proceed further with the ongoing legal proceedings has been upheld. However, the measure seeking liberty, security and movement of the two accused Italian Marines has been denied. It is of importance that the provisional measure prescribed by the ITLOS was not a unanimous decision, being voted 15-6 in favour.

A preliminary reading of the (four) declarations, (one) separate opinion and (five) dissenting opinions by the judges have raised some very important questions.11 The salient ones are:

(a) About the justification of ‘urgency’ criteria by Italy given that 3 ½ years have elapsed from the occurrence of the incident and its recourse for ‘provisional measures’.

(b) ‘Admissibility and plausibility’ aspects in that Italy in the intervening period had actively participated at each stage of India’s domestic legal process related to the case.

(c) Some of the judges have also questioned the pre-suppositions made in the ITLOS Final Order. The first is about the observation that all efforts between the contenting parties
at conciliation and negotiations have failed. The second is about ‘jurisdictional applicability’ of the ITLOS in the case. The contrarian arguments raised are about the definitive articulation on these aspects since these would form the ‘core’ during the preliminary stages of future arbitrations, thus impacting on the future trajectory of the case.

(d) Some of the judges have opined that the two ‘provisional measures’ sought by Italy are inextricably linked and cannot be discussed or adjudicated upon in a mutually exclusive manner. The opinion seems to be equally divided between those favouring India and Italy.

Further, the complimentary remarks by a number of judges about the Indian legal system and India’s conduct in providing access to the various arms of its legal system deserves special mention, with one judge terming this benevolence to be excessively liberal.12

Concluding Remarks

Some could argue that the ITLOS Order of allowing one ‘provisional measure’ and denying the other is reflective of the trend where the international dispute resolution bodies have opted for a ‘middle path’ during their judgements/awards. In this regard, a more nuanced interpretation would be about the existence of merits/strengths in the statement of contending parties, howsoever small, which has led to such ‘intermediate’ judgements.

The ITLOS order obviously restrains India from progressing with its domestic legal proceedings in the Enrica Lexie case where as the present bail status for the two Italian marines would continue in that they remain the accused in this case. Therefore, the ITLOS Order confers a virtual status quo on the subject. In reality, ‘provisional measures’ are akin to ‘interim and temporary orders’ and, this is neither the ‘end of the road’ nor a ‘reflection of the future’ in the Enrica Lexie case.

A larger question for India, not addressed here due to space constraints, is about revisiting national maritime legal framework. Certain provisions like including the aspect of ‘security’ within the Contiguous Zone and, even the declaration about military manoeuvres and firing/use of weapons in India’s EEZ/Continental Shelf are seen as ‘excessive’ by a large section of the international community.13 Further, the failure to contemporise the archaic Admiralty provisions despite repeated
attempts is an area that needs serious examination. There are other examples like the Draft Piracy Bill introduced in 2012 (but still to be enacted) that can be cited. The moot point is not the absence of national legislation but more about their alignment with the contemporary international legal regime.

Some of the important remarks in the ITLOS Order also bring to fore questions that Italy (and in some respects India) could well deliberate upon before going ahead with international arbitration. Much would depend on the questions of the ‘admissibility’ and ‘jurisdictional applicability’ during the preliminary stages of international arbitration, which in this case extend beyond the strict confines of UNCLOS into the domain of International Humanitarian Law (IHL). These aspects would be dealt with at greater length and in more deliberate fashion, which eventually would decide the ‘mandate’ of the international arbitration, an issue that lies in the realm of the future.

An important issue worth considering is to use the space available through this provisional measure to revisit some of the hardened positions, evident from the language used by both sides in respective written submissions, as to whether there is another approach to resolve this dispute. It would require considerable political and diplomatic capital from both the sides and the concurrent domestic pressure would also be considerable. Whether the contending parties are ready, and indeed interested, in such (tough) negotiations on such a complex issue is for the respective stakeholders to consider.

1 October 2015

NOTES

1 See entries under India and Italy at United Nations Treaty Collection website at https://treaties.un.org/Pages/ViewDetailsIII.aspx?src=TREATY&mtdsg_no=XXI-6&chapter=21&Temp=mtdsg3&lang=en#EndDec. Italy’s declaration of 26 February 1997 states “In implementation of article 287 of the United Nations Convention on the Law of the Sea, the Government of Italy has the honour to declare that, for the settlement of disputes concerning the application or interpretation of the Convention and of the Agreement adopted on 28 July 1994 relating to the Implementation of Part XI, it chooses the International Tribunal for the Law of the Sea and the International Court of Justice, without specifying that one has precedence over the other. In making this declaration under article 287 of the Convention on the Law of the Sea, the Government of Italy is reaffirming its confidence in
the existing international judicial organs. In accordance with article 287, paragraph 4, Italy considers that it has chosen “the same procedure” as any other State Party that has chosen the International Tribunal for the Law of the Sea or the International Court of Justice.” India’s declaration states “The Government of the Republic of India reserves the right to make at the appropriate time the declarations provided for in articles 287 and 298, concerning the settlement of disputes.”


3 Request under Article 290, Note 3, p. 16.


5 Note 2, under Italy which states “Italy wishes to reiterate the declaration it made upon signature and confirmed upon ratification according to which ‘the rights of the coastal State in such zone do not include the right to obtain notification of military exercises or manoeuvres or to authorize them’. According to the declaration made by Italy upon ratification this declaration applies as a reply to all past and future declarations by other States concerning the matters covered by it”.


7 Ibid, p. 11.

8 Ibid, p. 12.


10 Ibid, p. 23.

11 These can be accessed at the ITLOS website https://www.itlos.org/cases/list-of-cases/case-no-24/.


Determining ‘Territorial Sovereignty’ in Maritime Disputes

Raghavendra Mishra

The robust debate on the ongoing action-reaction dynamics by the posture and conduct of the involved (claimants) and indirect (interested) actors in East and South China Sea disputes has invariably referred to the 1982 United Nation Convention Law of the Sea Convention (UNCLOS) besides references to international law and norms. While these maritime disputes with territorial connotations are considered as the most volatile and contemporary regional flashpoints, the earlier narratives on disputes with similar content had also made extensive references to the UNCLOS.

However, UNCLOS Article 298 Para 1 (a) (1) brings out that the dispute resolution mechanism under this Convention, among other issues such as historic bays/titles, does not cover the ambit of territorial sovereignty (ownership of land). The relevant text states, “….any dispute that necessarily involves the concurrent consideration of any unsettled dispute concerning sovereignty or other rights over continental or insular land territory [of island character/origin] shall be excluded from such submission [request for dispute resolution under UNCLOS]”. It is in this context that this article aims to examine the relevance and the application of UNCLOS in determining the ‘sovereignty’ dimension of such complex disputes.

Categories of Maritime Disputes

It is useful to point out that maritime disputes related to sovereignty, territoriality and sovereign rights could be classified into two broad categories:

(a) Disputes arising between states due to overlapping maritime entitlements to territorial sea, Exclusive Economic Zone (EEZ) and the Continental Shelf, but not related to the ownership of a land feature at sea or a disputed land boundary. For
example, the dispute between Bangladesh and Myanmar in the Bay of Bengal resolved in 2012 through arbitration at the International Tribunal of the Law of the Sea (ITLOS). While there was a consensus on the location of the land boundary terminal, both nations had differing interpretations about the delimitation of maritime regimes afforded by the UNCLOS. This category also includes disputes related to discrete maritime functional/usage rights like the traditional or historical practice of fishing by state(s) within the maritime entitlements of another state.

(b) The second and the more contested category of maritime disputes involves sovereignty (ownership) over a land (insular) feature at sea between coastal states or a disputed land boundary between adjacent states with a consequential maritime dimension. The content, causation and geography of such disputes can be quite diverse. The Falkland Islands dispute between Argentina and Britain that are separated by around 7000 nautical miles (NM) with the islands in question about 300 NMF offshore from Argentina, is a case in point. Another example is the Sir Creek dispute that was resolved in 1914 among the colonial states of Sind and Kutch. This dispute, however, continues to persist between India and Pakistan, due to differing interpretations about the operative clauses of the resolution.

**Broad Overview of South and East China Sea Disputes**

It would thus be obvious that the East and South China Sea disputes fall under the latter category and involve a mix of sovereignty and maritime entitlement issues. These disputes are far more complex where the assertions of claimants not only comprise competing claims to the ownership (sovereignty) over minor, and often insignificant land features, but each claimant has a differing interpretation about the status of each of these feature(s) which ranges from island, reef, rock and shoal. The hypersensitivity attached to these disputes is surprising considering that such insular features, in most cases and few exceptions, would at best generate a 12 nautical mile territorial sea entitlement. This fact also needs to be seen in light of the proposition that the South and East China seas fit the definition of ‘semi-
enclosed and enclosed seas’ and, no claimant can reasonably expect to seek full entitlements in such constrained geographies without vigorous protests. Such objections have not only come from other adjacent/opposite coastal states of the region but also by the larger international community with ‘strategic stakes’ in the region of whatever hue.

A ‘strict (or narrow) interpretation’ of UNCLOS Article 298 mentioned earlier, may lead one to infer that the Convention is of little relevance in such hybrid disputes. Such stance is reflected in the December 2014 China’s Position Paper on the South China Sea disputes. A different interpretation could also be made where UNCLOS becomes of consequential/parallel application and relevance in such cases. The proceedings initiated by the Philippines against China before the Permanent Court of Arbitration (PCA) is a relevant and contemporary example. Among other issues and without making a direct reference to ownership (sovereignty) issue, the Philippines has sought arbitration to give a decision on the status of some of the features which China claims as islands. Philippines does not agree with this interpretation by China besides seeking redressal about the resultant adverse effects on its maritime entitlements under UNCLOS.

On these two particular aspects, the Philippines has made reference to UNCLOS provisions on the regimes of islands (Article 121), low tide elevations (LTE) (Article 13), and reefs (Article 6). It is important to note that the recent extensive island reclamation exercise by China, to a large extent, was specifically targeted at the features highlighted by the Philippines in its submission to the Permanent Court of Arbitration (PCA), a fact that has not received due spotlight in the narratives on this issue.

Legal Context

Irrespective of these two streams of interpretation mentioned above, it is evident that the issue of ownership or territorial sovereignty requires distinct and special considerations while analysing the strengths and weaknesses of the claims by the competing parties in such mixed territorial-cum-maritime disputes. Since this subject, like the UNCLOS, falls under the broader ambit of Public International Law where states are the traditional primary actors, one is compelled to draw upon the customary and contemporary legal perspectives. This is because the law among nations as it exists today is a process of historical evolution and its gradual codification, a fact highlighted in the United Nations (UN) Charter itself.
Principles for Determining/ Asserting Territorial Sovereignty

While extensive literature exists on how to decide ‘who owns what’, there are five basic precepts (also referred to as principles or doctrines) through which a state can claim the ownership over land territory, be it continental or maritime in nature. The question as to why these five propositions only can be assessed from three principal observations.

• These are widely accepted by the international legal community, albeit with some new categorisations and a little scepticism in certain quarters, as the basic premises for states to assert their territorial sovereignty.

• Further, a review of case law (previous international judgements) throws up these precepts as the foundational reasoning on which the states have built their sovereignty narratives.

• International courts and arbitral tribunals have also made extensive references to these in their awards and judgements.

None of these are new and trace their origins as far back into history into the Roman Era, and in some cases to the Grecian thalassocracy period, which in the view of many legal luminaries set the tone for codification of private and public international laws.

No One’s Land

The first precept on which many states stake their territorial assertions is the principle of ‘Terra Nullius’ or ‘no one's land’. It draws on the premise that the territory in question was not under the direct sovereign rule of any state. This principle of claiming sovereignty over ‘supposedly un-sovereign lands’ has come under scrutiny in recent international arbitrations. Of particular relevance are the cases involving post-colonial states where the erstwhile imperial/colonial powers by using the Westphalian logic appropriated sovereignty without due consideration to the rights of indigenous people. However, this particular aspect is not of much relevance in the East and South China Sea disputes since the majority of the features over which the claimant states assert sovereignty and seek consequential maritime entitlements through UNCLOS, are for the most part uninhabited. However, this doctrine has been used extensively alongwith the logic of first discovery, historical cartographic and literary evidence by each of the East and South China Sea claimants.
**Prescription**

The second principle by which states assert their sovereignty is of ‘Prescription’, which in simple terms means that the territory in question is under the peaceful and effective control by the claimant as well as administered continuously for a reasonably long period of time. This assertion draws upon the Roman law principle of *uti possidetis de facto*, which is based on the premise that the ‘facts on ground’ over certain territory maintained over time lend legitimacy to sovereignty assertions. As far as the issue of administration is concerned, the general jurisprudence norm upheld during many of the international arbitrations is that the state should not only have dealt with the territory in question on internal issues such as taxation, law and order, but also in an external (international) sense through foreign policy articulations and external security dimensions.\(^{13}\)

**Cession**

The third and a related principle is of ‘Cession’, which means that the territory belongs by law at the time of the formation of the claimant state, also known as *uti posseditis de jure or juris* in the Roman Law.\(^{14}\) The distinction between these two *uti posseditis* categories though obvious is blurred by the reasoning that the competing parties use. For example, China and Taiwan insist that Senkaku/Diayou Islands are its sovereign territory ‘by law’ in that Japan was to revert all of Formosa (Taiwan) and the Pescadores, as per 1951 San Francisco Treaty and, that the 1895 Treaty of Shimonoseki was an ‘unequal treaty’ negotiated under duress. China (and Taiwan) also put forward logic of prior discovery, use and ownership of the islands in support of their claims.\(^{15}\) On the other hand, the Japanese claim rests on the arguments that the San Francisco Treaty was limited to territories annexed during the Second World War and, that it enjoys sovereignty based on legal possession of the islands, peaceful and continuous exercise of sovereignty and, acquiescence by China/Taiwan. Japan also states that the islands were *terra nullius* and formally incorporated as part of its national territory by the 1895 decision of Japanese Cabinet to erect a marker on the islands.\(^{16}\) It does not help that these islands do not find specific mention in any of the legal documents including the treaty texts. A somewhat similar situation also obtains vis-à-vis the Spratlys and the Paracels in the South China Sea where China and Taiwan claim these though the 1947 Nationalist Government Map - the origin of Nine (originally Eleven) Dashed Line claim. Vietnam claims these as the successor
state to the French. The Philippines, for its sovereign claim over the Kalayaan Group of islands in the Spratlys, draws inspiration from the 1898 Spanish–American Treaty concluded at Paris, despite contemporizing its archipelagic baselines through the 2009 enactment.17

**Accretion**

The last two principles deal with geo-physical changes to sovereign territory by reasons of geological phenomenon and politico-military events. The fourth principle is of ‘Accretion’, or growth of territory through acts of nature termed as *Alluvio* under the ancient Roman law. With advancements in geography, cartographic and legal studies including national and international jurisprudence, such effects are no longer simple but a subject of study by themselves.18 The Asian Tsunami of 2004 did result in substantial and abrupt changes to the geography of the affected region, but more subtle, gradual and long-term changes are also affected by the ever-changing climate of the Earth. An important observation at this stage is that the effect of ‘natural’ changes does alter the territory and, by extension the boundaries of a state but unnatural/artificial or manmade changes do not affect the ‘sovereign limits of territory’ and, by implication, its international boundaries. In a similar vein, UNCLOS clearly defines an island as a ‘naturally formed area of land’.19 The Convention further goes on to state that “Artificial islands, installations and structures do not possess the status of islands. They have no territorial sea of their own, and their presence does not affect the delimitation of the territorial sea, the exclusive economic zone or the continental shelf”.20 Therefore, reclamation activities in the South China Sea by any of the claimants being ‘a deliberate manmade improvement’, irrespective of the reason, be they political or for improving habitability/harbour installations, or the extent to which these have been undertaken, remain beyond the legal pale.

**Conquest/Annexation**

The fifth principle is of Conquest or Annexation by the threat or use of force. Although coercion and military force for changing territorial *status quo* is prohibited under Article 2 of the UN Charter, it remains a fact of international politics.21 The annexation of Crimea by Russia can be cited as a recent example. China has used force twice in South China disputes against Vietnam - first in 1974 to annex the Crescent Group features to establish virtual control over
the Paracels, and again during the 1988 armed clash over the Johnson South Reef in the Spratlys.

**Conclusion**

The above arguments make it obvious that ‘sovereignty assertions over territory’ in maritime disputes are implied through a different reasoning than the UNCLOS. This reasoning comprises a mix of history and contemporary, customary and codified, and in most instances, contains a mix of all of the above-mentioned five precepts. Such disputes are naturally complex to unravel and in many cases driven by geopolitics, economic, culture, domestic politics, ideological and nationalist considerations. In such maritime disputes, the UNCLOS is of consequential and/or complementary utility as well as relevance since ‘sovereignty over territory’ forms the ‘point of origin’ in such circumstances. This aspect also assumes relevance in the context of the ‘general principle’ of ‘la terre domine la mer’ (land dominates the sea) espoused by the International Court of Justice (ICJ) during the 1969 North Sea Continental Shelf cases involving Germany V. Denmark and Germany V. Netherlands. This observation has been repeated in virtually all the international arbitrations involving maritime disputes. Therefore, it would appropriate to summarize by stating that in hybrid or mixed maritime disputes, the UNCLOS does provide for deciding on ‘who gets what’ of sovereign/territorial connotations like the territorial seas and ‘sovereign rights’ of EEZ and Continental Shelf, but is of lesser as well as interpretative ‘relevance and effect’ in determining ‘who own what’.

9 November 2015

**Notes**


While the submission by the Philippines to the PCA is not yet available in the public domain, the features over which it seems to have protested against China are the Mischief Reef, McKennan Reef, Gaven Reef, Subi Reef, Scarborough Shoal/Reef, Fiery Cross Reef, Johnson Reef and Cuarteron Reef. See, Stefan Talmon, Bing Bing Jia, *The South China Sea Arbitration: A Chinese Perspective*, (Portland, OR: Bloomsbury Publishing, 2014), p. 213. For updated details on island reclamation by the South China Sea claimants including China, see ‘Island Tracker’ database on the *Asia Maritime Transparency Initiative* (AMTI), Center for Strategic and International Studies, URL - http://amti.csis.org/island-tracker/.


Aaron Xavier Fellmeth, and Maurice Horwitz, Guide to Latin in International Law, (Oxford: Oxford University Press, 2009), pp. 286-288; Parry, Clive, John P. Grant, J. Craig Barker, and Clive Parry. Parry & Grant Encyclopaedic Dictionary of International Law (Oxford: Oxford University Press, 2009), pp. 655-656; Bryan A Garner (Ed), Blacks’ law Dictionary, (St Paul, MN: West Publishing, 2009), Ninth Edition, p. 1686, and; Malcolm N. Shaw, International Law, (Cambridge: Cambridge University Press, 2008, Sixth edition, pp. 525-530. Uti possidetis – A maxim meaning that a state that has acquired possession of territory with intent to annex it has thereby established sovereignty over that territory. The essence of the principle lies in its primary aim of securing respect for the territorial boundaries at the moment when independence is achieved [and] the doctrine is of great importance, for it may be relevant to the proper interpretation even of subsequent boundary treaties. Moreover, it aptly enshrines the vital principles of stability of state boundaries. Uti possidetis juris [“So that you may (rightly) possess”] - A modern principle according to which a change in sovereignty over a territory, especially due to independence following decolonization, does not ipso facto alter that territory’s administrative boundaries as established by colonial authorities out of respect for succession to legal title by the new sovereign. Uti possidetis de facto [So that you may possess in fact] - a principle that was formerly invoked on occasion by postcolonial states to the effect that the boundaries of newly independent states upon decolonization should be defined by the limits of the territory actually administered by the colonial authorities and/or newly independent state rather than the administrative boundaries delimited by the colonizing states.


19 UNCLOS, Note 1, Article 121, Para 1.

20 Ibid, Article 60. Para 8.

21 Para 4 of Article 2 to UN Charter states “All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations”.
Historical and Taxonomical Claims Over South China Sea

Dinesh Yadav

During his address at the Defense Conference in London on 14 September 2015, Vice Admiral Yuan Yubai, the Commander of the PLA Navy’s North Sea Fleet, stated that “the South China Sea, as the name indicates, is a sea area that belongs to China.” He further stressed that the waterway has belonged to China from the time of the Han dynasty, which had ruled from 206 BC to AD 220. The above assertions merit scrutiny to examine the veracity of the Chinese historical and taxonomical claims over the South China Sea.

The Chinese historical claim to South China Sea date back to the Han dynasty (206 BC to AD 220), a period considered as the golden age in Chinese history. These islands were referred to in some of the Chinese texts in the 4th century BC, but only implicitly, as part of the “Southern Territories” or “South Sea”. The Islands were referred to as the “Three Mysterious Groups of Islands” during the Qin Dynasty (221–206 BC).

During the Eastern Han dynasty period (AD 23 to 220), the South China Sea was renamed “Rising Sea”, so the islands were called the “Rising Sea Islands”. Even if one were to concede that the Sea or the Islands were christened by the Chinese dynasties two millennia ago, would that suffice to stake a historical claim? The maximum area over which the Han dynasty exercised suzerainty is less than half of what constitutes China today. Would the historical claim over the Sea not inevitably apply mutatis mutandis for land boundaries, as they existed under that era? It is indeed ironical that Beijing advocates different claims over different regions, based on historical claims from different time-frames!

Even though Beijing asserts strong maritime traditions whilst furthering its maritime claims, Chinese were actually latecomers to navigation beyond coastal waters in the region. The accomplished seafarers of the region were the Malayo-
Polynesian peoples who had explored the seas from Taiwan to New Zealand and even up to Madagascar in the west. Even the Chinese Buddhist pilgrims like Faxian (AD 399-412) used Malay ships during his visits to India and Sri Lanka.

Further, Beijing’s claim to the South China Sea as “historic waters” do not hold much water as the Asian empires of pre-modern era did not exercise sovereignty and were rather characterised by undefined, unprotected, and often changing frontiers. On the contrary to the rationale justifying its claims in South China Sea, Beijing, whilst dealing with its territorial disputes with neighboring India, Burma, and Vietnam, takes a position that its land boundaries were never defined, demarcated, and delimited. China, therefore, gives reverse justifications for its claims over land and sea. Whilst furthering its claims over land boundaries, Beijing argues that its land boundaries were historically never defined and are a legacy of colonial era and, therefore, could not be acceptable. On the other hand, to expand its maritime zone, it takes a contrasting stance that China’s maritime boundaries were always clearly defined.

If at all, the Chinese historical claims have any cogency, so would be the historical claims of Vietnam and the Philippines over Taiwan; Taiwan was originally settled by people of Malay-Polynesian descent. Similarly, Mongolia could claim all of Asia (parts of Genghis Khan Empire) and India could stake claims for Afghanistan, Bangladesh, Burma, Malaysia (Srivijaya), Nepal, Pakistan, and Sri Lanka (parts of Maurya/Chola/ Moghul/ British Indian empires)! Accordingly, the Chinese claims over the South China Sea based on historical grounds is not tenable.

China’s claim to South China Sea is not actually historical, and it dates back only to 1947, when Chiang Kai-shek’s nationalist government propounded the so-called “eleven-dash line” on Chinese maps of the South China Sea. Following the ouster of the Nationalist Government in 1949, the Chinese Communist Party adopted this ‘cartographic misadventure’ after erasing two dashes in the Gulf of Tonkin in 1953.

The other justification on part of Admiral Yuan Yubai’s assertion, that the South China Sea’s name implied that its waters belonged to China, is wishful, to say the least. To dispel such notions, the Philippines has already re-christened the South China Sea as West Philippines Sea and Vietnam calls it East Seas. If the taxonomy could be the relevant ground for claiming a Sea, it would be interesting
to know the Admiral’s response on the names of Gulf of Mexico, Bay of Bengal, Arabian Sea or the Indian Ocean!

Whilst the idea of national sovereignty dates back to seventeenth-century Europe (the Treaty of Westphalia), the idea of maritime sovereignty is relatively a modern construct, having gained prominence only from mid-twentieth-century onwards. As a responsible power of the 21st century, Beijing should appreciate that any attempt to redraw the land and maritime boundaries based on historical claims would be a never ending process and would take the world back into the pre-Westphalia era.

27 November 2015
China’s Position Paper on South China Sea Dispute with the Philippines: An Analysis

Raghavendra Mishra

China released its official position paper on the ongoing South China Sea (SCS) dispute with the Philippines on 7 December 2014. In legal terms, this policy articulation specifically addresses Philippines initiating legal proceedings at the Permanent Court of Arbitration (PCA). Manila had approached the PCA on February 19 2013 against China in accordance with Annex VII provisions of the 1982 United National Convention on the Laws of the Sea (1982 LoS). The exact details of the arguments are not available in the public domain except for a short cryptic entry on the PCA website stating that the disagreement is ‘with respect to the dispute with China over the maritime jurisdiction of the Philippines in the West Philippine Sea’.

However, some commentators with first-hand access to the case details have stated that it is predicated on sovereignty and sovereign rights around a part of the Spratly Islands in SCS, which the Philippines term as the Kalayaan Group, and claims these on the principle of terra nullius, physical occupation and continuous administration and, historical facts. It is pertinent to mention that Scarborough (Huangyan Diayou in Chinese) and Second Thomas Shoals (Renai Jiao in Chinese) have witnessed repeated stand offs between China and Philippines since 2012. The two major issues that the Philippines seeks decision through arbitration are: (a) the legal validity of 2009 Nine-Dashed Line claim by China which is seen to be too expansive and not in consonance with international norms; (b) the applicability and validity of the ‘Regime of Islands’ as defined under Part VIII of UNCLOS. The argument made by Manila is that not all the features claimed by China meet the criteria of ‘sustain[ing] human habitation or economic life of their own (1982 LoS Article 121).

China had rejected and returned the initial notification served by Philippines on 19 February 2013. However, the
PCA decided to go ahead with the laid down formalities and initially appointed a three-member group on 24 April 2013 that was later expanded to five members drawn from the empanelled jurists at the International Tribunal of the Law of the Sea (ITLOS). In May 2013, Mr Chris Pinto from Sri Lanka who was to serve as one of the arbitrators as well as the President of the tribunal, decided to step down citing his marriage to a Filipino national, and was replaced by Mr Thomas Mensah from Ghana. The ‘Rules for Procedure’ for the arbitration process were promulgated on 27 August 2013 and Philippines filed its case details (memorial in legal parlance) on 30 March 2014. The first meeting of the tribunal took place on 14-15 May 2014. On 21 May 2014, China declined to be a part of arbitration process by reiterating its position that ‘it does not accept the arbitration initiated by the Philippines’ and that the instant Note Verbale ‘shall not be regarded as China’s acceptance of or participation in the proceedings’. The tribunal gave China time until 15 December 2014 to submit its counter arguments. It is in response to this chain of events that China unveiled its position paper in early December where the reasons and rationale to ‘neither accept nor participate in the arbitration unilaterally initiated by the Philippines’ have been explained in detail.

The PCA in its 17 December 2014 Press Release noted the position taken by China while observing that it had failed to file its counter arguments by the stipulated date. The Tribunal has given Philippines until 15 March 2015 to file supplementary submissions and, China until 16 June 2015 to provide any response to the information submitted by the Philippines. On 5 December 2014, Vietnam too approached the Tribunal with a submission that it be made a party to the case being a ‘contemporaneous’ (concomitant) claimant. The future agenda for the Tribunal also includes deliberations on whether to admit and adjudicate on the case submitted by the Philippines.

The position paper lays out three reasons for China’s non-acceptance and non-participation in the arbitration proceedings. The first being that the fundamental question is of sovereignty (ownership) of the maritime features in SCS and 1982 LoS cannot be the instrument for arbitration. In strict legal terms, China is on strong ground given the articulations contained in Article 298 of 1982 LoS. This provision specifies that the LoS guidelines can be used as an instrument for dispute settlement, including recourse to arbitration, as
long as the subject matter is related to the delimitation of Territorial Waters (TW), Exclusive Economic Zone (EEZ) and the Continental Shelf (CS). It goes on to amplify that LoS provisions do not apply in ‘cases involving any unsettled dispute concerning sovereignty’. However, based on opens sources, the case by Philippines seems to be carefully worded and contains a mix of ‘immutable’ (what belongs to whom) and ‘rights, responsibility and duties’ (division of commons). Therefore, it is a not an ‘open and shut’ argument at this stage, but would become clearer as and when the details of Philippines’ case become public. The other reason given is of China exercising the option of keeping out of dispute resolution mechanism specified in UNCLOS. Though perfectly legitimate on surface, this argument becomes open to interpretation given the fact that Philippines has submitted the case to the PCA on the basis of UNCLOS provisions. While it is true that ITLOS cannot adjudicate on sovereignty issues, the mixed nature of the case does come under the umbrella mandate available to the PCA or the International Court of Justice (ICJ). The last reason given by China is the breach of international agreement by Philippines, namely, the 2002 Declaration of Code of Conduct (DoC) by the Parties in South China Sea. The logic in this instance seems to be largely political and for strategic signaling since the DoC is non-binding in nature and given the recent actions by the claimant countries, seems to have become the first casualty.

While the case at present is trilateral in nature, involving two claimants (Philippines and China) and one involved party (Vietnam), it would be of strategic import to other claimants in the South China Sea like Taiwan, Malaysia, Indonesia and Brunei. In addition, the wider implications of such a stance will be critical for other resident and non-resident maritime stakeholders as well, such as the United States (mutual security treaty with Philippines), Australia, EU, India and other ASEAN member states that have strategic maritime stakes in the area, whether in a direct or an indirect sense. It could even be argued that a similar Chinese posture is likely in the ongoing dispute with Japan over the Senkaku/Diayou Islands in the East China Sea. In addition, the arbitration process would also set precedents about the mandate of international legal institutions on cases involving hybrid issues related to ‘sovereignty’ and ‘sovereign rights’.

It is premature to predict the future contours of the arbitration considering its complex nature, but its importance as
‘landmark case’ would be closely watched by the international legal community. If the case is accepted for arbitration then it carries the seeds of changing the geopolitical contours of an already volatile Asia-Pacific. Much would depend on the legal muscle and strategic capital invested not only by the countries involved but also the positions and the perceptions of other stakeholders. Whatever be the outcome of the case, one reasonable assessment can be made is that while the instant arbitration will be a ‘test case’ for international jurists, but the convoluted tangle of South China and East China Seas is not likely to be resolved any time soon. These may even become sharper considering the historical and emotive connections that may fuel nationalistic tendencies, unless managed with care by the claimants and other stakeholders.

12 January 2015
‘Lawfare’ in the South China Sea: The Latest Round

Raghavendra Mishra

The South China Sea (SCS) continues to occupy the limelight because of the series of assertive actions, both by the claimants and those with strategic interests. The recent ‘freedom of navigation and overflight’ assertion by a US Navy Arleigh Burke Destroyer (USS Lassen) with P 8A Poseidon maritime patrol aircraft providing overwatch invited sharp retort from Beijing.¹ Consultations between senior naval leadership of both the sides were held following this incident, which is seen as a US response to the Chinese warships transiting the Aleutians Island territorial seas on 03 September 2015.² Some media reports also suggest such actions by the US are likely to be repeated.³ The immediate fallout of this recent Sino-US row was the cancellation of joint declaration after the ASEAN Defense Ministers Meeting Plus (ADMM Plus) conclave at Kuala Lumpur, Malaysia on 04 November 2015.⁴

While this push-pull in the SCS plays out between two important global actors– one (China) as an ‘involved claimant’ and, the other (US) as ‘strategic player’, the arbitral tribunal at the Permanent Court of Justice (PCA) announced its ‘Award on Jurisdiction and Admissibility’ on 29 October 2015 in the ongoing China-Philippines case.⁵

The legal proceedings were initiated by the Philippines on 22 January 2013 under Annex VII of the 1982 United Nations Convention of the Law of the Sea (UNCLOS) ⁶. The complete text of the Philippines memorial (case details) is yet to be made public, but the award indicates that it has raised 15 discrete issues related to the interpretation and application of the UNCLOS. While the decision of the Tribunal on these points is covered later in this article, the Philippines emphasized that its submissions relate neither to maritime delimitation nor to sovereignty (ownership). Its submission to the tribunal is about the interpretation of the UNCLOS, in particular, the ‘status’
of certain insular features and the infringements of its legitimate rights by China’s actions.

This article examines the salient observations made by the Tribunal in its award. It is also worth noting that many aspects examined by the Tribunal were *proprio motu* (at Tribunal’s discretion/initiative), so that the rights of the respondent (China) as also the ‘third parties’ are not prejudiced.

**Admissibility and Jurisdiction**

The announcement of this award effectively marks the end of ‘first phase’ of arbitration process. This exercise was aimed at determining two critical issues, particularly so in light of China’s non-participation:

(a) The issues brought forth by the Philippines are ‘well founded in fact and law’ as admissible, i.e., ‘in consonance and worth consideration’ vis-à-vis with legal provisions of the UNCLOS it has cited;

(b) The Tribunal is empowered by the Treaty law (UNCLOS), case law (judicial observations in previous instances of similar nature) and, the established ‘Rules of Procedure’ for the case to decide that the issues raised by the Philippines are ‘within its jurisdictional mandate’.

The Tribunal observes that ‘a dispute exists’ between China and the Philippines and the two countries have ‘exchanged information’ on the issues that the Philippines has preferred for arbitration. These observations indicate that two of the contingent criteria for initiating arbitration proceedings are fulfilled.

**China’s Non-Participation**

As mentioned, China has refused to participate in the legal process since the beginning and the reasons for such a stance were explained through its Position Paper released on 07 December 2014. The three main issues highlighted were:

(a) The essence of arbitration revolves around territorial sovereignty over several maritime features in the SCS, which lies beyond the scope of the Convention;

(b) The Philippines was in breach of its international legal obligations by unilateral initiation of legal proceedings as it had violated previously agreed to the principles of bilateral negotiations as also the 2002 Declaration on the Conduct of Parties in the South China Sea (DoC).
(c) The 2006 Declaration by China\textsuperscript{11} under UNCLOS Article 298, which excludes, \textit{inter alia}, disputes concerning maritime delimitation from compulsory arbitration and other compulsory dispute settlement procedures.

It is also relevant that non-appearance or non-participation of a party is not an impediment to the progress of the case as long as the court/tribunal is satisfied on the aforementioned admissibility and jurisdictional capacity criteria. This provision is mentioned in Annex VII to the UNCLOS and, the Rules of Procedure formulated for the China-Philippines case.\textsuperscript{12}

Despite China’s refusal to join the arbitration, the Tribunal relied upon its December 2014 Position Paper, its correspondence with the Tribunal, other relevant diplomatic/political articulations and, the material made available by the Philippines to decide if this ‘exclusionary stance’ was legally valid. In this regard, the Tribunal observed that the reasons advocated in its Position Paper do not make China exempt from compulsory arbitration under the UNCLOS sections cited.

Further, the award states that notwithstanding its 2006 declaration, all parties to the UNCLOS (an oblique reference to China) cannot be selective in choosing which part of the Convention they wish to accept or reject.\textsuperscript{13} The award also clarifies that the 2002 DoC to which China and the Philippines are signatories, is a legally non-binding and politically aspirational document.\textsuperscript{14} The Tribunal also opines that the provisions of 1976 Treaty of Amity and Cooperation (TAC) with China and the Philippines as parties, despite being a legally binding instrument does not prevent progressing with compulsory arbitration clauses prescribed under the UNCLOS.\textsuperscript{15}

While finding the principal objections for its refusal to be part of arbitration as inadequate, the Tribunal also observed that China was free to join the proceedings at any time, thus leaving the door open for its future participation.\textsuperscript{16}

‘Third Party’ Interests

The Tribunal took note of the third party interests during its deliberations, especially Vietnam which appears to have endorsed the actions, arguments and the issues raised by the Philippines.\textsuperscript{17} Based on the correspondence received from Vietnam and Malaysia, and the interest expressed by Japan, Indonesia and Thailand, the Tribunal permitted ‘observer delegations’ from these
countries to attend the 07-13 July 2015 hearings. Further, the relevant documents were also provided to these countries, as also Brunei. These somewhat unusual steps were taken in consultation with the Philippines.

Based on the Vietnamese response and the underlying intent of the issues raised by the Philippines, the Tribunal ruled that the ‘third party’ rights are neither affected nor the presence of such parties indispensable to the proceedings. This means that the case would now remain a bilateral exercise. The Tribunal also ruled that the arbitration proceedings from now on would be generally closed to the public, except for the ‘interested parties’ on ‘specific written requests’.

**Salient Observations of the Award**

The decision of the Tribunal on 15 specific ‘submissions’ by the Philippines can be summarised under two broad categories.

**Takeaways from the Award**

It can be seen from above, that the Tribunal for arbitration has accepted seven specific requests by the Philippines,

**• Submissions by the Philippines where the Tribunal jurisdiction is confirmed**

<table>
<thead>
<tr>
<th>Submission Serial No.</th>
<th>Brief Details of the Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 &amp; 7</td>
<td>Status of Scarborough Shoal, Johnson Reef, Cuarteron Reef, and Fiery Cross Reef as “islands” or “rocks”.</td>
</tr>
<tr>
<td>4 &amp; 6</td>
<td>Status of Mischief Reef, Second Thomas Shoal, Subi Reef, &amp; Gaven Reef and McKennan Reef (including Hughes Reef) as “low-tide elevations”, subject to possible effects of any overlapping entitlements vis-a-vis the first three features.</td>
</tr>
<tr>
<td>10</td>
<td>China’s interference with the traditional fishing activities of Philippine nationals at Scarborough Shoal.</td>
</tr>
<tr>
<td>11</td>
<td>Protection and preservation of the marine environment at Scarborough Shoal and Second Thomas Shoal.</td>
</tr>
<tr>
<td>13</td>
<td>Operation of China’s law enforcement activities in the vicinity of Scarborough Shoal, the application of UNCLOS provisions related to innocent passage and the duties of coastal/flag states, limited to those within the territorial sea limits of Scarborough Shoal.</td>
</tr>
</tbody>
</table>
• Submissions by the Philippines which would be considered by the Tribunal in the ‘merits’ phase

<table>
<thead>
<tr>
<th>Submission Serial No.</th>
<th>Brief Details of the Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 &amp; 2</td>
<td>Source of maritime entitlements in the South China Sea and the role of the Convention.</td>
</tr>
<tr>
<td>5</td>
<td>Sources of maritime entitlements in the South China Sea and whether situation of overlapping entitlements to an exclusive economic zone or to a continental shelf exists in the area of Mischief Reef and Second Thomas Shoal.</td>
</tr>
<tr>
<td>8</td>
<td>China’s actions that allegedly interfere with the Philippines’ petroleum exploration, seismic surveys, and fishing in Philippines claimed exclusive economic zone.</td>
</tr>
<tr>
<td>9</td>
<td>Chinese fishing activities in Philippines claimed exclusive economic zone.</td>
</tr>
<tr>
<td>11</td>
<td>China’s activities on Mischief Reef and their effects on the marine environment.</td>
</tr>
<tr>
<td>14</td>
<td>China’s activities in and around Second Thomas Shoal and China’s interaction with the Philippine military forces stationed on the Shoal.</td>
</tr>
<tr>
<td>15</td>
<td>China shall desist from further unlawful claims and activities, with a directive to the Philippines for narrowing the content and the scope of this Submission.</td>
</tr>
</tbody>
</table>

with conditionality attached to two such issues. Eight issues are deferred for consideration in the next phase, where detailed supporting presentations and arguments before the Tribunal would be made by the parties.

**Status of Disputed Maritime Features and the Consequential Effects**

A relatively uncomplicated task for the Tribunal would be in determining the ‘status’ for the specific maritime features mentioned by the Philippines and the permissible ‘maritime entitlements’ under UNCLOS. It is for emphasis that all the features mentioned by Philippines in its submissions have been the subject of China’s extensive island reclamation project. Based on reliable reference sources, it can be predicted that the final award on this matter may read as:
<table>
<thead>
<tr>
<th>Feature</th>
<th>Likely Decision by the Tribunal</th>
<th>Permissible Maritime Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johnson Reef</td>
<td>‘Rock’</td>
<td>12 Nautical Mile (NM) territorial sea</td>
</tr>
<tr>
<td>Cuarteron Reef</td>
<td>‘Rock’</td>
<td>12 NM territorial sea</td>
</tr>
<tr>
<td>Fiery Cross Reef</td>
<td>‘Rock’</td>
<td>12 NM territorial sea</td>
</tr>
<tr>
<td>Scarborough Shoal</td>
<td>‘Rock’</td>
<td>12 NM territorial sea</td>
</tr>
<tr>
<td>Mischief Reef</td>
<td>Low Tide elevation (LTE)</td>
<td>NIL</td>
</tr>
<tr>
<td>Second Thomas Shoal</td>
<td>LTE</td>
<td>NIL</td>
</tr>
<tr>
<td>Subi Reef</td>
<td>LTE</td>
<td>NIL</td>
</tr>
<tr>
<td>Gaven Reef</td>
<td>LTE</td>
<td>NIL</td>
</tr>
<tr>
<td>Hughes Reef</td>
<td>LTE</td>
<td>NIL</td>
</tr>
<tr>
<td>McKennan Reef</td>
<td>LTE</td>
<td>NIL</td>
</tr>
</tbody>
</table>

An important point at this stage is that ‘determining the status/character’ would have ‘no effect on the ownership (territorial sovereignty)’ of these features, thereby retaining status quo as far as the control/administration is concerned, whether by China or the Philippines. The more significant fallout would be in terms of ‘passage rights’ for the international community and, ‘access to resources’ for China or the Philippines. If the Tribunal does characterise the aforementioned features as predicted, the Philippines by its geographical proximity, stands to gain substantially on the ‘resource front’ through the EEZ and, possibly Continental Shelf regimes.

Further, the extensive (and undoubtedly expensive) island reclamation by China vis-a-vis the features classified as LTE would be entitled to a mere ‘500 meter security zone’ since these are manmade and, therefore, ‘artificial installations’. This proposition arises out of two important provisions under UNCLOS:

(a) Article 121 where island is defined a ‘naturally formed area of land’, and;

(b) Article 60 (Para 8) which states, “Artificial islands, installations and structures do not possess the status of islands. They have no territorial sea of their own, and
their presence does not affect the delimitation of the territorial sea, the exclusive economic zone or the continental shelf”.

The UNCLLOS accords ‘innocent passage’ regime to all ships within the territorial seas of coastal states, including warships with certain stipulations. It is pertinent to mention the US does not recognise undue restrictions of ‘prior information and/or permission’ for innocent passage by the warships, mentioned in the September 1989 Joint Statement by the US and erstwhile USSR, popularly known as the Jackson Hole Agreement.22 Such restrictions on the innocent passage of warships are stipulated in respective national legislations/submissions to the UN, like the proviso of ‘prior permission’ in China’s 1992 Territorial and Contiguous Zone Act.23

**Whither ‘For’ or ‘Against’ the Philippines/China**

At this stage, the award can be assessed as ‘largely positive’ for the Philippines on two counts: (a) the legal proceedings would continue and; (b) a definite decision would be pronounced on atleast six issues where it has a differing interpretation vis-à-vis China on UNCLOS provisions.

This award is definitely not an encouraging outcome for China since its exclusionary rationale stands rejected. China is now a party to the case and, by extension, to the final judgment. This issue gains importance, as the awards/judgements during international arbitrations are final and binding on the parties.24 This proposition would prevail even if China continues with its posture of non-participation. In case and ‘only if’, the final award is unfavourable China’s so-called ‘nine dashed line’ claim would come under even greater scrutiny for its validity and veracity.

How China reacts to the final award remains an open issue, but the recent hard-line statements from Beijing suggest that there is little possibility of any recalibration. This is obvious by the statement from the Foreign Ministry of China on the award which is termed as “null and void with no binding effect”, “the Arbitral Tribunal manifestly has no jurisdiction”, “China’s non-acceptance of and non-participation in the arbitration …..is clear and explicit, and will not change”. This statement goes on aver that “…the Philippines and the Arbitral Tribunal have abused relevant procedures and obstinately forced ahead with the arbitration….severely violated the legitimate rights that China enjoys….completely deviated from the
purposes and objectives…. and eroded the integrity and authority of the UNCLOS”.

However, a more definitive assessment on the overall effects of the case would have to await the next phase of the arbitration as the submissions deferred by the Tribunal carry greater ‘substantive significance’ which are just not limited to maritime entitlements but also regarding the alleged misconduct of party (China). Therefore, making a concrete assessment as to ‘who won’ can only be made after the announcement of final award as the decisions on the pended issues could go either way.

Conclusion

Unilateral activism may be is a reality of international politics; however, being labelled a ‘rogue’, especially in defiance of international arbitration, is an entirely different proposition. All nations, howsoever powerful, care about their international repute. Empirical evidence suggests that nations, despite non-participation and/or initial rejection of international arbitration have largely accepted adverse rulings. The 1986 judgement by the International Court of Justice (ICJ) where the US was observed to have defaulted on certain counts in the case involving Nicaragua and, a similar observation about Russia in the *Arctic Sunrise Case* are prime examples of powerful nations being held accountable under the ambit of international law.

This award could influence the contested South China Sea dynamics in two possible ways. Firstly, it could fuel competitiveness and propensity for assertive behaviour among the claimants and the interested parties, thereby increasing the chances of unintended/accidental escalation. Secondly, the award could be seen in a positive light where recourse to international law provides a possible way ahead on this seemingly intractable dispute. An attendant effect could be on the much-anticipated binding Code of Conduct (CoC) on parties to the SCS dispute. This award could end up in further delays in formalising of such a code as China may feel aggrieved to stop engaging on this issue or embolden other claimants to engage in further such legal processes.

In sum, it is worth reiterating the sagaciousness in Indonesia’s July 2010 response to nine-dashed line submission where it recalls the 2009 remarks by China’s representative about the necessity of ‘a consistent interpretation’ on insular features. This statement also emphasises that excessive claims to sovereignty and expansive interpretation of the UNCLOS for seeking greater maritime entitlements could upset the
existing open and equitable system. Whether the ‘involved and interested parties’ are paying heed remains the proverbial big question.

18 November 2015

NOTES


5 Permanent Court of Arbitration (hereafter PCA), Award on Jurisdiction and Admissibility, 29 October 2015, http://www.pcacases.com/web/sendAttach/1506.


8 PCA, Award, Note 5, Paras 148 – 178 and 342-352.


11 Declaration made after ratification (25 August 2006) – “Declaration under article 298: The Government of the People's Republic of China does not accept any of the procedures provided for in Section 2 of Part XV of the Convention with respect to all the categories of disputes referred to in paragraph 1 (a) (b) and (c) of Article 298 of the Convention”, http://www.un.org/Depts/los/convention_agreements/convention_declarations.htm#China after ratification.

12 UNCLOS, Note 6, Annex VII, Article 9, and; PCA, Rules, Note 7, Article 25.

13 PCA, Award, Note 5, Para 107.


15 Ibid, Paras 265-269.

16 Ibid, Paras 18, 117.

17 Ibid, Para 184.

18 Ibid, Para 188.

19 Ibid, Paras 397-412.

20 For updated details on island reclamation by the SCS claimants including China, see ‘Island Tracker’ database on the Asia Maritime Transparency Initiative (AMTI), Center for Strategic and International Studies, http://amti.csis.org/island-tracker/.


22 Joint Statement by the United States of America and the Union of Soviet Socialist Republics on ‘Uniform Interpretation of Norms of International Law Governing Innocent Passage’, 23 September 1989. The statement inter alia states, “All ships, including warships, regardless


South China Sea Reclamations: China Makes ‘Public Goods’ Argument

Vijay Sakhuja

Earlier this month, during the ASEAN Regional Forum (ARF) and Foreign Ministers’ Meetings of the East Asia Summit (EAS) meetings in Kuala Lumpur, Malaysia, the Chinese Foreign Minister Wang Yi elaborated on China’s position on the South China Sea and assured that his country endorses and upholds international norms for unimpeded maritime transit by global shipping. Further China is willing to work and partner with other regional countries to make sure ‘freedom of navigation and overflight in the South China Sea’ is maintained.

Chinese assurances come amidst recent media headlines on the reclamation of reefs and shoals, building new terra firma, and expansion of infrastructure on the islands in the South China Sea. Significantly, the contemporary Asia Pacific security discourse has debated the reclamation issues at great length and the frequent standoffs between China and other claimants has led to a belief that South China Sea is a potential flashpoint. The issue also resonated in the International Arbitration Tribunal where Philippines pleaded for the invalidation of China’s Nine-Dash Line; China preferred to stay away from the proceedings and absented itself in The Hague.

China has argued that its activities on the islands and reefs are ‘lawful, reasonable and justifiable’ and defended its position by stating that by reclaiming land, it was only discharging international responsibility and obligation towards maritime search and rescue (SAR) and disaster prevention and mitigation, among other peaceful maritime activities such as safe anchorages for ships and fishermen, navigation aids, meteorological services, and maritime safety services. Further, once completed, these facilities will provide all-round and comprehensive services to meet various
civilian demands besides satisfying the need of necessary military defense.’ Also, China is conscious of its international obligations and possesses necessary capability to ‘provide regional countries with these much needed public goods at sea’.

In Economics, ‘public good’ is defined as those services that are ‘non-rivalrous’ and ‘non-excludable’ and free for use and consumption. For instance, navigation aids such as lighthouses, meteorological services, search and rescue operations, humanitarian assistance and disaster relief (HADR), etc. can be considered as public goods and are offered for free to the maritime community. If one was to apply the term ‘public goods’ in the context of the ongoing reclamations in the South China Sea, China’s argument holds water particularly in the context of aid to navigation, search and rescue and fisheries protection.

Geographically, South China Sea is dotted with large numbers of islands, reefs, shoals, and rocks and only a few among these are hardly above water during high tide. Although, the average depth in the area is about 1000 meters, many of the areas are labeled as ‘dangerous ground’ on nautical charts cautioning the ships to stay clear of these waters due to risky submarine topography and take extra precautions while sailing. The South China Sea is also a very busy sea and air space that witnesses heavy movement of merchant ships and aircraft. Further, the South China Sea attracts nature’s fury in the form of storms and typhoon that can pose difficulties for shipping and could adversely impact fishermen.

Given the above geographic constants, natural phenomenon, and the density of sea and air traffic, it is fair to argue that there is a high probability of accidents that would require search and rescue services. These operations can be mounted from the reclaimed sites that host or would host in the future, ships and aircraft to respond to SAR calls. Most of the South China Sea littorals are bound to respond to SAR calls under various international regulations such as 1974 Convention for the Safety of Life at Sea (SOLAS); 1979 International Convention on Maritime Search and Rescue (SAR); 1982 LoS Convention; and the International Aeronautical and Maritime Search and Rescue (IAMSAR) Manual. Similarly, regional agreements such as the 2002 Declaration on the Conduct Of Parties in the South China Sea and the ASEAN Defence Minister’s Meeting Plus (ADMM +) mandate SAR in South China Sea.
However, success of any SAR in the South China Sea is a function of response time. Also, a correct assessment of the position of the incident, location and availability of rescue vessel for SAR, time to reach the location, and geography and topography of the area of operation are important consideration. Further, regional capacity to respond to SAR is critical which may necessitate pooling of resources from other countries for a robust response.

A cursory look at the SAR capacity of the regional countries suggests that China has enormous capabilities such as ships and aircraft to respond to any SAR calls in South China Sea. However, there appear to be no takers for the Chinese arguments that the facilities being built in the contested features of the South China Sea are for public goods such as SAR. Perhaps, Beijing would have to do a lot more to justify and convince that the infrastructure being developed on the islands/reefs is for ‘public goods’ and could benefit other littorals.

18 August 2015
Energy, Environmental and Human Security
The Global Oil Slump and its Impact

Shashwat Tiwari

Lately, global oil prices have crashed; Brent crude, a pricing benchmark for more than half of the world’s oil, dropped 45 per cent in 2014. It fell under US $60 a barrel for the first time since 2009. Most of the global markets are selling oil for about US $56 to US $61 a barrel. While in West Asia, it is being sold on average at less than US $30 a barrel. But in the Arctic, producing a barrel costs US $78 on an average. From Canada’s oil sands, it costs an average of US $74 a barrel, while in the US the price of production is US $62 a barrel.

The Organization of Petroleum Exporting Countries (OPEC) decided to keep its output unchanged, despite the global supply surplus fed partly by production of shale oil in North America. Saudi Arabia, along with a group of Arab monarchies, opposed calls by Venezuela and other OPEC members, whose economies are threatened by the fall in oil prices, to cut output. OPEC supplies about 40 per cent of the world’s oil. Oil has slumped more than 20 per cent since OPEC decided to maintain its output quota. Iran followed Saudi Arabia, Iraq and Kuwait in offering annual higher discounts for sales to Asia. U.S. producers are pumping crude at the fastest pace in three decades amid a shale boom.

The price plunge has spurred China to accelerate booking oil cargoes. It will also trim nearly US $20 billion annually in fuel costs across the maritime industry if prices dropped 20 per cent since OPEC’s decision hold around current levels. China is taking advantage of lower oil prices by buying large volumes of oil and improve its Strategic Petroleum Reserves (SPR). It is in the midst of a multi-year process to build an oil stockpile, which is modelled on the U.S Strategic reserve concept – the more than 700 million barrels of oil stored in salt caverns in Texas and Louisiana. In early 2014, China’s stockpiling was on a record pace, storing more than 600,000
barrels per day for several months. It helped contribute to higher oil prices at that time, but now it appears China is rebuilding up its reserves; this time taking advantage of low prices. Nearly 80 Very Large Crude Carriers (VLCC) – the biggest ships in the business – heading towards China is much higher total than usual. In the past, there was an average of just 63 such ships destined for Chinese shores. China is also increasing its capacity to store more oil. Earlier in 2014, China had enough reserves to only meet 21 days’ supply and the Chinese government aims to raise the figure to 100 days’ by the end of the decade. Further, China needs to buy additional 50 million barrels of crude in 2015.

According to the list of Charters, oil companies booked ships to load 148 million tons of Persian Gulf crude since Brent fell under US $100 a barrel. The orders are up 5 per cent from 2013. The shipping industry consumes as much as 3.5 million barrels a day and price slump will curb investment in higher cost production projects and drive a rebound in the second half of 2015. The biggest tankers earned an average of about US $28,000 last month, shipping West Asia oil to Asian countries.

The availability of surplus oil tankers increased in the Persian Gulf, with 11 per cent more of the ships available than cargoes, down from an average surplus of 17 per cent in 2014. The crude tanker fleet grew 1.5 per cent in 2014 compared with trade growth of 1.8 percent. Meanwhile, seaborne oil trade is expected to rise by 3.5 per cent in 2015, against no change in the fleet size. Tanker rates are expected to rise at an average of US $35,000 a day in 2015, compared with average of US $25,851 in 2014.

The global crash in crude prices is reverberating through the oil industry, pressuring producers to curtail investment to protect profits and avoid cuts in dividend payments. Projects in the Canadian oil sands, offshore fields in Norway and U.S. shale deposits are among the most vulnerable as oil prices come perilously close to production costs. The world’s largest oil companies have rarely spent so much for so little profit. While the oil slide is hurting nations such as Saudi Arabia, Iran and Russia in particular, which depend on energy for revenues, companies including airlines and cement makers are benefiting as their fuel costs decline. Shipowners serving the industry’s flagship West Asia, Asian trade routes are reaping the best returns from charters in years as the slump drives down the industry’s single biggest expense.

23 Jan 2015
Developments in Clean Shipping – Emergence of LNG as a Marine Fuel

Kapil Narula

International shipping has seen two transitions in motive power. The first, during the industrial age, from wind power to coal (steam) and the second in the first half of the 20th century, from coal to oil. The third transition, from oil to natural gas, many argue, is currently underway. Liquefied Natural Gas (LNG) as a fuel for ships was first used in 2000, when the world’s first LNG fuelled ferry, ‘Glutara’ commenced operations in Europe. Since then, ships have been powered by dual fuel engines which are designed to operate on liquid fuels as well as LNG. This includes LNG carriers, oil and chemical tankers, bulk carriers, coast guard ships, harbour tugs, Ro-Ro ships and high speed car-passenger ferries. At the end of 2014, there were over 50 LNG fuelled ships in operation and another 80 were under construction or on order books of shipyards, including a LNG powered icebreaker, LNG bunkers for ship to ship refuelling and container ships. It is estimated that by 2020 there would be over 1800 LNG fuelled ships in operation1.

More recently the ship, Kvitbjørn operated by Nor Lines AS became the world’s first vessel to operate between Asia and Europe solely on LNG. The ship sailed from Tsuji Heavy Industries shipyard in Jiangsu, China, to Bergen, Norway stopping for LNG fuelling in Singapore, India (Cochin) and Spain (Cartagena). This was the longest voyage undertaken by a vessel running only on LNG and was completed on 29 March 2015.

Drivers

There are two main drivers for the emergence of LNG as a marine fuel: stringent environmental regulations and the cost of implementing these regulations.

(a) Environmental regulations under MARPOL Annex VI
International shipping uses Heavy Fuel Oil (HFO), which is one of the dirtiest fuels in the world. Prior to 2005, merchant ships used bunker fuel with a sulphur content of over 4.5 per cent m/m. In order to control ship borne air emissions, regulations for the Prevention of Air Pollution from Ships were adopted by the IMO under MARPOL Annex VI³. Regulation 14 covers emissions of Sulphur Oxides (SOx) and Particulate Matter (PM) from ships. It was decided to lower the sulphur content in fuels used by ships in a phased manner. Apart from this, a number of Emission Control Areas (ECAs) were promulgated in 2006, and the first ECA for limiting SOx emissions was notified in the Baltic Sea. These ECAs adopted more stringent standards and fuels having up to 1.5 per cent m/m sulphur content only, were permitted to be used onboard ships operating in the ECAs. This limit was reduced to 1 per cent in 2010 and further to 0.1 per cent m/m⁴ on 01 Jan 2015. Figure 1 shows the regime for reduction in sulphur content.

Fig 1. Allowable sulphur content in fuels used onboard ships
for fuel used onboard ships inside and outside the ECAs. This environmental cleaning act has become a major driver for adoption of LNG as a fuel for ships operating in the ECAs.

(b) Cost of implementing environmental regulations: Consequent to the implementation of stringent environmental norms in ECAs, ship owners have to consider various technical options to limit the SOx emissions from ships. Following choices are available to the ship owners:

(i) Use of low sulphur distillate fuels such as MDO$^5$ and MGO$^6$

(ii) Installation of scrubbers for emission control onboard ships while continuing to use high sulphur fuels

(iii) Switching to the use of LNG as a primary fuel

The choice between the above options is left to the ship owners and this is influenced by various factors such as capital cost of installation of systems, cost of fuel, availability of fuels and technological criteria. Switching to LNG as a primary fuel onboard ships has emerged as a cost effective option amongst competing technologies, and this has become the second driver for the emergence of LNG as a marine fuel.

Advantages

There are three main advantages of LNG as a marine fuel, which makes it one of the more attractive options for use onboard ships operating in the ECAs.

(a) Cleaner fuel: LNG has only 0.004 per cent sulphur content which is much lesser than the upper limit of 0.1 per cent of sulphur authorised for use onboard ships operating in the ECAs. Use of LNG as a fuel onboard ships cuts down SOx emissions by 97-99 per cent, eliminates PM emissions, reduces NOx emissions by 60-80 per cent, and reduces CO$_2$ emissions by approximately 70 per cent. This makes it one of the most environmentally friendly fuels for ship propulsion.

(b) Future fuel: Natural gas is touted as the fuel of the 21$^{st}$ century. It is estimated that global demand for natural gas is likely to grow by 2 per cent annually, compared with 1.2 per cent growth in total energy demand. Thus the share
of natural gas in the total world consumption is forecasted to overtake that of coal before 2030 and natural gas is likely to meet 25 per cent of the global energy demand by 2035. Further, the reserve to production ratio for natural gas is around 250 years (at the current rate of consumption) and gas reserves are geographically dispersed across the globe, which eases concerns on security of supply of gas. These factors contribute to emergence of natural gas as the fuel of the future.

(c) Lower price of LNG as compared to other alternatives: LNG is currently priced lower than global HFO prices (USD 16/mmbtu). LNG approximately costs USD 14/mmbtu while MDO costs USD 25/mmbtu. Although LNG is priced much lower based on per unit energy content, there are additional costs which need to be added on account of additional port capex (capital expenditure) and opex (operational expenditure) and cost of new built LNG ships. Notwithstanding the above, the all inclusive cost of LNG as a fuel for ship borne operations is currently the lowest amongst all three alternative technologies in the U.S. In Europe, the costs for HFO with scrubbers is the lowest, closely followed by LNG fuelled ships. However, for the Asia-Pacific region, the cost of ships using LNG is relatively higher than the costs for HFO with scrubbers and is closer to ships using MDO as a fuel.

Challenges

Notwithstanding the above advantages, there are various challenges which need to be overcome before LNG can emerge as a competitor to oil and can be used as a primary fuel by the shipping industry across the globe.

(a) Technical issues: Natural gas has approximately half the energy to weight ratio as that of oil. Hence ships operating on LNG require twice the amount of space for fuel storage as that required for oil tanks. The larger space requirement for fuel therefore lowers the carrying capacity of the ship. LNG is stored at minus 162 degree C which requires additional onboard auxiliary systems for refrigeration. Natural gas is combustible and in its un-burnt form, is emitted
as methane, a gas which has 25 times the global warming potential as that of CO$_2$. Hence extra precautions are required to prevent onboard leakage of gas by designing effective ventilation systems and by following good maintenance practices. Further, safety regulations and operational procedures have to be evolved and internationally agreed for safe operations for use of LNG as fuel onboard ships.

(b) High capital costs: While the running cost of using LNG is low, the capital cost of installation of fuel handling and storage systems onboard ships is relatively high. This presents a challenge to the ship owners who are struggling with lower profits due to increased costs and overcapacity in shipping. While there are successful cases where LNG system have been retrofitted onboard existing ships for dual fuel usage, it is most economical to build LNG ready ships which have dual fuel use capability as new builds.

(c) Availability of LNG fuelling stations: Currently, there are limited fuelling stations for LNG and these are mostly concentrated in Europe and the U.S., primarily to supply LNG to ships operating in the ECA. The ‘chicken and the egg dilemma’ is hampering the growth of LNG fuelled ships, as ship owners expect that fuelling stations will be set up first, to cater for the growing demand of LNG, while port developers expect that there should be sufficient growth in LNG fuelled ships prior to developing LNG fuelling facilities at ports. Shore infrastructure for jetty based LNG fuelling involves laying pipelines for delivery of natural gas to the port area, liquefaction terminals, storage tanks and delivery infrastructure for transfer of LNG from jetty to the ship. The other option is for ship to ship transfer of LNG using LNG bunkers. Both these options are capital intensive and ports are therefore shying away from installing LNG fuelling infrastructure before there is sufficient demand for LNG from ships.

(d) Availability of LNG: The availability of LNG in the short term for shipping is also a concern for ship owners. It
is estimated that if the entire shipping industry shifts to LNG as a fuel for shipping, the resulting demand for natural gas will be equal to 75% of the total world LNG trade as on date. Ship owners are therefore adopting a wait and watch strategy as they feel that it involves a considerable financial risk to shift to LNG as the primary fuel for use onboard ships.

(e) Regulatory uncertainty on a global scale: The shipping industry is facing the impact of rising costs imposed due to stringent environmental regulations. According to the proposed implementation schedule, the current 3.5 per cent limit of sulphur content in the fuel, in areas beyond the ECA, would be reduced to 0.50 per cent after 01 January 2020. The implementation date is subject to a review, which would be completed by 2018 and depending on its outcome it could be deferred to 01 January 2025. The IMO is expected to review based on parameters such as the global supply and demand for low sulphur fuel oil, trends in low sulphur fuel prices and is likely to take into account technological constraints or any other relevant issues*. This uncertainty on the possible delay in the date of the implementation, global trends in availability of low sulphur fuel and prices of distillate fuels is adding to the complexity of decision making for selection of competing technologies for lowering emissions from ships. Coupled with this is the delay in designation of additional areas as ECAs, notably around Japan and Australia. This global regulatory uncertainty is therefore hampering the growth of LNG fuelled ships.

Conclusion

It is evident that LNG is emerging as an alternate fuel for propulsion onboard ships. This is driven by increasing environmental concerns, stringent enforcement of regulatory mechanisms, and competitive cost of LNG as a fuel for ships. While there are many advantages of using LNG onboard ships, there are an equal number of challenges which have to be overcome progressively. When LNG would replace oil as the primary source of fuel onboard ships remains to be seen, but what cannot be debated are the giant steps for clean shipping
which is transforming shipping into an environmentally friendly industry. It can be concluded that the transition from oil to LNG for ships is highly likely in the future and regulatory developments in shipping are aiding this clean transition.

29 May 2015

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2 MARPOL Annex VI, first adopted in 1997, limits the main air pollutants contained in ships exhaust gas, including sulphur oxides (SO₂) and nitrous oxides (NOₓ), and prohibits deliberate emissions of ozone depleting substances (ODS).

3 Following entry into force of MARPOL Annex VI on 19 May 2005, the Marine Environment Protection Committee (MEPC), agreed to revise MARPOL Annex VI with the aim of significantly strengthening the emission limits in light of technological improvements and implementation experience. As a result of three years examination, MEPC 58 (October 2008) adopted the revised MARPOL Annex VI, which entered into force on 1 July 2010.

4 0.10 per cent m/m equals 1000ppm (parts per million).

5 Marine Diesel Oil.

6 Marine Gas Oil.

7 This is just short of the share of demand met by oil.

Slump in Global Oil Prices and its Implications for Vietnam’s Economy

Ashok Rai

The recent plunge in international oil prices has impacted the global economy. Some analysts have remarked that while lower oil prices could be conducive to bolstering economic growth in net oil-importing countries, a sharp decline in oil prices would dampen investment and capital flows into oil-related activity, as well as cut export revenues in oil-exporting countries, leading to reduced government revenues. This essay attempts to examine how the slump in the price of oil could impact the economy of Vietnam.

While Vietnam is a net exporter of crude oil, it is also an importer of refined petroleum products. The start of the second half of 2014 witnessed the price of a barrel of Brent crude and West Texas Intermediate (WTI) crude slump by around 58 per cent and 55 per cent respectively, reducing the price to less than US$ 50 a barrel and US$ 48 a barrel respectively for the first time since May 2009. The fall in oil prices is being attributed to a mismatch in global demand and supply requirements. Demand is down because of the Eurozone’s economic stagnation, Japan’s slipping into recession, and China’s economic slowdown. Output, on the other hand, is rising on account of the US shale boom and the Saudi Arabia-led OPEC’s refusal to reduce oil production. Geo-political factors are also believed to be associated with the global oil slump; including objectives like hurting Iran and Russia’s oil incomes, and rendering the USA’s shale production unviable.

Located on the eastern margin of the Indo-Chinese peninsula, Vietnam has a long coastline and vast reserves of offshore oil within its extensive Exclusive Economic Zone (EEZ). It is estimated that the Vietnamese continental shelf contains about 1.5–3.0 billion barrels of oil, and at least 10 trillion cubic feet of gas. Vietnam has three oil and
gas fields—the B ch H oil field, the Di Hùng oil field, and the Tê Giác Trng—which are located offshore. Additionally, at least nine major fields are expected to add to the country's production in the near future. Whilst Vietnam has been developing its oil fields for oil exploration and production in partnership with other advanced countries, it has also been facing stiff resistance from the Chinese who have been claiming some of the maritime territory as being under their claimed jurisdiction resulting in, more often than not, stand-offs between their maritime security forces. A recent incident was that of Chinese oil exploration rig HD–981 being positioned well within Vietnamese waters, only to be removed after frantic diplomatic parleys.

While the security of these offshore rigs remains an issue, the global slump in oil prices have thrown in additional challenges before Vietnam. It is to be noted that the revenue generated through export of crude oil accounts for nearly 12 per cent of the state budget collection. During the first half of 2015, crude oil output reached 8.3 million tons, up 11 per cent year-on-year as compared to last year. Vietnam had exported more than 5.7 million metric tons of crude until August 2015. However, Vietnam has only one large refinery—the Dung Qut refinery—in addition to the other very small Cat Lai refinery located at Ho Chi Minh City. The Dung Qut refinery has a capacity of 130,050 barrels per day (6.5 million tons of crude annually), and meets only about 35 per cent of the requirement of the domestic market. The actual consumption of refined products is increasing in Vietnam at the rate of 6 to 8 per cent.

It has been estimated that, in the prevailing circumstances, Vietnam's revenue could fall by about 1 trillion dong (US$ 47 million) for every US$ 1 per barrel decline in global prices. The Vietnamese think tank, the National Center for Socio-Economic Information and Forecast (NCEIF), has estimated that Vietnam would lose nearly US$ 1.5 billion in its forex reserves if oil fell to US$ 30 a barrel. The GDP growth target of 6.2 per cent for the year 2015 was set in September 2014 based on a crude oil output of 14.74 million tons at US$ 100 a barrel. In view of the continued low oil pricing, the Vietnamese government has decided to increase crude oil output to 16 million—up 4,00,000 tons from last year—so as to achieve the planned GDP growth.

What may be the options for Vietnam? While some global oil companies have laid off some of their
workforce to cut losses, this may not be an option for Vietnam as this would result in an increase in unemployment thereby affecting the country’s socio-economic conditions. It would, therefore, be advisable for the Vietnamese authorities to consider some or all of the proactive measures mentioned below.

- Expedite the operationalization of additional oil refineries. For example, a second oil refinery, Nghi Son refinery with capacity of 200,000 barrels per day (10 million tons per year costing about US$ 9 billion) was approved by the Vietnamese government, and could be expedited. It is understood that it is being debated whether to begin the construction of additional seven refineries (earlier approved in principle) so as to eventually not only become self-reliant but also become a net exporter of refined oil.

- Encourage foreign direct investment, reduce spending, make an appropriate tax structure, spur growth by restructuring loss making public enterprises, clean up bad debts in banks, reduce corporate taxes to help businesses etc.

In conclusion it may be stated that the global slump in oil prices has ushered in new challenges. Vietnam which is a crude oil exporter as well as product importer needs to review its national policies and implement measures which could minimize the adverse effects, whilst exploiting the benefits accruing from the prevailing situation.

17 September 2015
‘Life Below Water’: An Agenda for Sustainable Development of the Oceans

Kapil Narula

The world has moved on from Millennium Development Goals (MDGs) to a new era where the ‘2030 Agenda for Sustainable Development’ will now drive global development. The world leaders finally adopted a set of 17 Sustainable Development Goals (SDGs) with 169 targets at the United Nations Sustainable Development Summit on 25 September 2015. In these goals and targets, they have set out a supremely ambitious and transformational vision - to achieve sustainable development in three dimensions – economic, social and environmental - in a balanced and integrated manner.

These ‘global goals’ build on the eight MDGs which were adopted in 2000 and were to be achieved by 2015. Although large strides and progress was made towards achieving the MDGs, these goals remained unfulfilled. Nevertheless the process of building consensus was validated and a common agenda agreed by all nations was evolved. The recently adopted goals and targets take this effort forward and are the result of over two years of intensive public consultation and engagement with civil society and other stakeholders around the world. This was made possible by a series of Open Working Group on SDGs coordinated by UN General Assembly and by the Secretary- General United Nations, who undertook a parallel discussion on the ‘Post-2015 Development Agenda’. It is universally agreed that these global goals are expected to shape policy worldwide for next 15 years till 2030 and would go much further than the MDGs, as they encompass a broader sustainability agenda.

Goal 14, represented as ‘Life Below Water’ states, “Conserve and sustainably use the oceans, seas and marine resources for sustainable development” and is one of the adopted goals with ten clearly identified targets. The sub-goals of this SDG are briefly enumerated below:
14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.

14.3 Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.

14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated (IUU) fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible.

14.5 By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law.

14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to IUU fishing and refrain from introducing new such subsidies.

14.7 By 2030, increase the economic benefits to Small Island Developing States (SIDS) and Least Developed Countries (LDCs) from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.

14.a Increase scientific knowledge, develop research capacity and transfer marine technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular SIDS and LDCs.

14.b Provide access for small-scale artisanal fishers to marine resources and markets.

14.c Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in UNCLOS.

As seen from the sub-goals, the agenda of the SDG 14 for oceans is

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unprecedented in scope and significance, is integrated and indivisible and balances the three dimensions of sustainable development. This universal goal and targets which involve the entire world are accepted and applicable to all 193 member states of the UN, developed and developing countries alike. However, it takes into account different national realities, capacities and levels of development and respects national policies and priorities.

The SDG for the oceans provide unambiguous targets and is supported by a robust and universally agreed framework. While framing of goals has been completed, SDG 14 has to be backed by a set of measurable indicators, for what cannot be measured, cannot be achieved. Some work in this direction is ongoing and hopefully measurable indicators will be adopted soon. This would further entail investment in systems and procedures to implement and support regular and appropriate collection and recording of data. Secondly, implementing SDG 14 requires a strong commitment from all countries. This may not be possible due to competing goals and limited resources available with developing and LDC countries. They countries may choose to divert funds to meet basic and critical necessities such as food, water and energy which affect day to day life and are of immediate concern. The third challenge is that with 169 targets, the full implementation of the SDGs might not be possible and countries will prioritise these goals and sub-goals. Fourthly, there are issues related to weak institutions, gaps in legal framework, poor ocean governance due to lack of capability, presence of a multitude of agencies with overlapping areas of responsibility, lack of coordination and non-existent enforcement capability. Surmounting these challenges require a major shift in the approach and attitude of the governments. Finally, efficient management of the program will be the key to achieving SDG 14. This may require setting up of specialized agencies with dedicated funding at the local, regional and federal level.

Be that as it may, an agreement on global goals is no mean task. The fact that healthy oceans and marine resources have figured in the SDGs is indicative of the importance which the international scientific community and policy makers have attached to the oceans. However, identification of the goals is just the beginning and a lot remains to be done to fulfill the targets of SDG 14. This would require vision, commitment, sustained effort and constant monitoring. Finally, a sustainable future for this planet is what our children deserve and one must spare no effort in realising this dream.

4 November 2015
World Oceans Day

Kapil Narula

World Oceans Day (WOD), celebrated on 08 June every year, brings an opportunity to raise global awareness of the impacts of human actions on the ocean, and to mobilize support for sustainable global ocean management. It was first proposed in 1992 by the Government of Canada at the Earth Summit in Rio de Janeiro, Brazil to highlight the importance of the ocean and to appreciate its intrinsic value. But it took 16 long years for the United Nations General Assembly to pass a resolution to this effect and was first celebrated officially in 2009.

A waiting time of sixteen years to build support for such a benign and non-controversial issue, does convey a sense of disregard and the relatively low importance of oceans in the global agenda. It is therefore apt that the relevance of the oceans is reiterated by the theme adopted for WOD, 2015-16, ‘Healthy Oceans, Healthy Planet’. This year will focus on plastic pollution in the ocean which is a serious threat due to its low rate of degradation and its potentially catastrophic consequences for marine life.

Oceans are essential to life on earth as they drive global weather systems and oceanic currents sustain marine life. They create more than 50 percent of the earth's oxygen which comes from phytoplankton - tiny ocean plants that live near the water's surface. They also play a crucial role in reducing the impact of growing terrestrial CO₂ emissions and it is estimated that oceans have absorbed approximately 28 percent of the cumulative anthropogenic emissions released from 1750 - 2011. Due to this large absorption of CO₂, the pH¹ of ocean surface water has decreased by 0.1, since the beginning of the industrial era. This is a significant increase in acidity, which corresponds to a 26% increase in hydrogen ion concentration and is about 30 times greater than the natural variation.

Oceans act as natural buffers and it is estimated that 93.4 percent of the
total heat for the period 1993 to 2003, has been absorbed by the oceans. This has degraded the buffering capacity of oceans and led to warming of the upper 75 m of the oceans by 0.11°C per decade. Ocean thermal expansion has also been the single largest factor contributing to approximately 40 percent to the rise in sea level, which is threatening the existence of several low lying island nations. Long-term ocean monitoring has also revealed that oxygen concentration in the ocean is progressively declining and Oxygen Minimum Zones (OMZs), which are naturally occurring regions of low oxygen areas present at 100-1000m depths, are increasing in number, volume, and intensity. The deadly trio of acidification, ocean warming and de-oxygenation of the oceans is impacting marine life and evidence suggests that this has led to lower ocean productivity, suppression of parts of the marine carbon and heat sink and has a significant impact on coral reefs and other forms of marine life.

The year 2015 may eventually turn out to be seminal in world history as it is arguably the last chance to take collective action for limiting global warming (to within two degrees centigrade of temperature rise above pre-industrial levels, by 2100). While reaching an agreement between 196 countries may not be an easy task, it is time that the world leaders commit to take definitive action on climate change. In the build up to the climate change talks, to be held at Paris in December, 2015, it is worth recalling the theme of the first WOD in 2009, ‘One Ocean, One Climate, One Future’. Representatives from various countries are meeting in Bonn, Germany from 01 June-11 June, 2015, to finalise the negotiating text for reaching a legally binding and equitable climate deal. In order to highlight the two way relationship between oceans and climate, the Intergovernmental Oceanographic Commission of UNESCO (IOC-UNESCO) organized a special event in Bonn, in the form of scientific workshops and plenary sessions by bringing together scientists, political decision-makers and civil society to focus on the ocean’s role in the climate system and the need for taking ocean-sensitive actions. What the Conference of Parties (COP 21) negotiations achieves is yet to be seen but it is important that the centrality of the oceans in the earth’s climate system is noted and acknowledged by all countries.

Climate change and oceans are intertwined and healthy oceans are vital for a healthy planet. Countries in the Indian Ocean Region need to be concerned as simulations using global ocean–sea
ice model has indicated that there has been increased heat uptake in the Pacific Ocean accompanied by increased heat transport to the Indian Ocean, through the passages of the Indonesian Archipelago. In fact, the Indian Ocean accounts for 70 per cent of all the global oceans heat gain up to 700 metres depth during the past decade. While efforts are being undertaken in India by Ministry of Environment and Forests (MoEF), Department of Ocean Development (Ministry of Science and Technology), and by regional organizations such as the Bay of Bengal Large Marine Ecosystem (BOBLME) project, much more needs to be done.

Raising awareness about the impact of the human actions on the oceans is the key to build public opinion and to mobilize support for protecting the oceans. As the leading maritime think tank, the National Maritime Foundation (NMF) can play a vital role in leading this awareness drive. Another way could be to develop global partnerships with like minded civil society organization to encourage a multi-actor approach for interdisciplinary action. The potential partner institutes of the NMF could be - The Global Ocean Forum, World Ocean Network, Pew Charitable Trust, The Global Ocean Commission, The High Seas Alliance, The Deep Sea Conservation Coalition, and The Coastal and Marine Union which are frontrunners in leading this initiative. The last aspect would be to engage policy makers both in India and abroad for the taking action to protect the oceans. All these aspects are mutually reinforcing and need to be simultaneously pursued to generate decisive action in conserving oceans.

Healthy oceans contribute to a healthy planet and the celebration of the WOD is a reminder to protect our oceans. A pledge to protect our oceans and a commitment to work for a clean and healthy global ocean would be each one’s personal tribute to Lord Varuna, the Indian God of the Seas.

8 June 2015

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1 \[ \text{pH} = \log_{10} \left( \frac{1}{a_{H^+}} \right) \] where \( a_{H^+} \) is the hydrogen ion activity in the solution. Pure water has a pH of 7.0 at 25 degree C.
China’s Humanitarian Activism

Antara Ghosal Singh

China recently carried out a successful evacuation operation in war-torn Yemen and rescued around 279 foreign nationals from 15 different countries along with 629 Chinese nationals. Thereafter, China responded to a devastating earthquake in Nepal of 8.1 magnitude, which caused an unprecedented level of damage and destruction to life and property.

It is important to note that these are not isolated incidents. China has been consistently building up its ‘humanitarian’ credentials over the past few years. In 2014, the Chinese troops made effective contributions in a number of humanitarian crisis including the outbreak of Ebola epidemic in West Africa, the water shortage in Maldives and the search for the missing Malaysian Airlines’ MH370 flight and Air Asia flight.

These are significant developments, when seen in the light of China’s problematic past with reference to humanitarian actions. However, before analysing China’s earlier stints with such actions, it is important to understand what constitutes ‘humanitarianism’ for the Chinese.

Humanitarianism with Chinese Characteristics

Based on its history and experience, China has developed its own narrative of humanitarianism. China is among the most disaster prone countries in the world susceptible to devastating floods, droughts, typhoons and earthquakes. Since the very first dynasty (Xia dynasty), the legitimacy of all Chinese states was dependent on how successfully they were able to control natural disasters and provide humanitarian assistance to the people. Drawing from this tradition, the state, in the Chinese mind, has always been the central moral being or the chief humanitarian actor in any crisis-situation.
Communist China, however, dismissed all international humanitarian actions as an imperialist construct. In one case, China even rejected foreign disaster aid during the Tangshan earthquake of July 1976, which claimed around 240,000 Chinese lives. On the other hand, China carried out its own humanitarian actions (beyond its borders) as a tool to further its own foreign policy objectives, targeting its strategic partners and suppliers of natural resources like North Korea, Sudan, among others.

Post Tiananmen Square incident, China purposely maintained a low profile in the international arena under Deng Xiaoping’s ‘taoguangyanghui’ or ‘hide strength, bide time’ policy and focused on national development. In the following years, it tried to build up a socialist definition of humanitarianism, where the focus is on the people than individuals, and which serves as a tool to unite the state and its people.

A distinct feature of the Chinese practice of humanitarianism is its comprehensiveness. It is less defined, more integrated, and hence ambiguous. No wonder, China defines everything - from its own economic rise to its plan to revive the historical Silk Roads to the more recent South China Sea reclamation projects- as a part of its ‘humanitarian’ agenda. At the operation level, China combines all development aid, humanitarian assistance, security cooperation and international peacekeeping operations under a single head of Chinese foreign aid. Similarly, China’s defence white papers put several tasks like UN peacekeeping, international Humanitarian Assistance and Disaster Relief (HADR), safeguarding the sea lanes, joint exercises, arms control, disarmament and military confidence building under the holistic concept of Military Operations Other Than War (MOOTW) or under humanitarian missions like ‘safeguarding world peace and regional stability’.

The above is often interpreted as a well thought-out Chinese strategy to baffle the foreign observers; however, one cannot overlook the fact that China also has a culture of approaching every subject in a holistic fashion than in a categorical fashion (a case in point being Chinese Medicine). It is evident that Chinese idea of humanitarianism is no different.

The Chinese practice of humanitarianism - marked by its state-centric approach, focus on people than individual, aiming at state-people unison, and its amorphous nature - are in sharp contrast to the international humanitarian principles where the focus
remain on individual rights, neutrality, impartiality and transparency.\textsuperscript{14} In the post-Cold War era, there has been a constant clash between the Western and Chinese schools of humanitarianism.

**China versus Rest on Humanitarian Actions**

In the 1990s and early 2000s, repeated charges were made against China (even at the UN level) accusing it of disrupting the global humanitarian cause by aiding rogue regimes in other countries while pursuing narrow self-interest and maintaining a deplorable human rights record at home.\textsuperscript{15}

China increasingly found itself at the centre of a fierce debate on ‘state sovereignty versus humanitarian actions’. During the Rwandan crisis of 1994, the Kososvo crisis of 1998-99, and even during the initial years of Darfur crisis, China strongly expressed its reservations against invoking Chapter VII of U.N. Charter (which authorizes the use of force).\textsuperscript{16} It remained an ardent defender of sovereignty on human rights, and in some cases, actively supported governments, which were considered outright offenders. Scholars argue that China actually acted out of fear that using the same humanitarian pretext, external powers may meddle in issues like Xinjiang, Tibet and Taiwan.\textsuperscript{17}

However, since the 2000s, the global scenario began to change, so did the situation inside China. Once weak and vulnerable, China has now emerged as a global economic powerhouse. Although the narrative of ‘China threat’ continued to gain currency, the overall interaction between China and the international community underwent a complete overhaul. The propensity of external actors of shaming China over its stand on humanitarian issues gave way to urging China to be a responsible stakeholder, a call to which China responded rather enthusiastically.

Additionally, developments at the domestic level further contributed to softening China’s stance. China faced a new set of problems that included socio-economic instability, an increasing economic inequality, and other fallouts of a GDP centred growth. With ideology waning away, electoral politics not on the horizon, the grip of Chinese Communist over China became heavily dependent on economic development and creation of mass prosperity and well-being. For the damage control, President Hu Jintao proposed a ‘people first’\textsuperscript{18} (\textit{yirenweiben}) approach to further domestic development.

This ‘humane’ approach did not remain confined to just domestic economic development but also got
reflected in other areas of national functioning, including foreign policy and military policy. In the foreign policy realm, China intensified its foreign aid mechanism, increased its financial resources for foreign aid, and moved beyond deciding aid projects through traditional government-government bilateral channels to multilateral forums. In the realm of military affairs, Hu Jintao proposed a new ‘historic mission’ of ‘safeguarding world peace and stability’ to Mao’s ‘fighting force’—the Chinese Armed Forces. Since then non-traditional military functions, or in other words, humanitarian actions, increasingly became Chinese Armed Force’s top agenda.

The purpose was to win the hearts and minds and confidence of its own people, and that of the international community, while developing China's soft power.

China’s Changing Position on Humanitarian Actions

Among the early signs of China’s shifting position viz.-a-viz. humanitarian actions was its endorsement of the ‘responsibility to protect (R2P)’ principle – a new normative framework for humanitarian intervention. China twice endorsed R2P at the UN level, first in the 2005 World Summit Outcome document, and again when the Security Council incorporated the R2P into Resolution 1674 in April 2006. Another important development was China’s getting involved in the Darfur crisis and pressurising the Sudanese government to restrain its action and accept the deployment of a hybrid UN–AU peacekeeping force in Darfur. Since then China continued to play an important role brokering peace between Sudan and South Sudan.

In terms of HADR, the Indian Ocean Tsunami of 2004 was a defining moment. China’s financial and in-kind assistance was the largest among the developing nations. China soon realised that disaster diplomacy is one of the easiest ways to build trust of other countries. As a result, HADR became an integral part of China’s national policy guidelines. It actively participated in regional frameworks for humanitarian assistance like Asian Disaster Reduction Centre or the Hyogo Framework, gradually intensifying its presence in the international humanitarian programmes, and increased its engagement in international disaster response like 2005 Kashmir Earthquake, 2008 Cyclone Nargis in Myanmar among others. From 2010 to 2012, China actively participated in almost all major natural disasters or humanitarian crises across the world, such as the earthquake in...
Haiti, floods in Cambodia, earthquake in Myanmar, floods in Pakistan, hurricane in Cuba, the war in Libya, and the turmoil in Syria. Not merely sending humanitarian relief to distressed countries, China also opened itself up to accept foreign humanitarian assistance during domestic crisis. A case in point is Sichuan earthquake of May 2008. China’s welcoming response to foreign assistance during the earthquake was in sharp contrast to its handling of the SARS epidemic of 2003.

At the multinational level, China intensified and diversified its role in UN peacekeeping operations. From dispatching just five military observers for a UN peacekeeping operation in 1990, it became the largest contributor to the UN peacekeeping missions and sixth largest contributor of funds among the member countries. The types of staff sent by China for the missions also expanded from engineering, transportation, medical and military observers to whole infantry divisions in the South Sudan case.

Since 2008, Chinese taskforces also maintained a good record in anti-piracy missions. It carried out escort missions for more than 5,800 merchant ships in 798 batches in the Gulf of Aden and in the waters along the Somali coast. It also played an active role in important global emergencies such as the evacuation of Chinese personnel in Libya and providing maritime escort for foreignships, ships for World Food Programme and for transportation of Syrian chemical weapons, in addition to the recent Yemen evacuation.

Of late, China is taking more interest in resolving global hot spot issues and offers Chinese solutions to global problems. China’s offer to mediate peace talks between the Taliban and the Afghan government, its role in Iran Nuclear issue and Syrian crisis have been applauded by the international community. China has also put forward the Belt and Road Initiative and proposed to set up the Asian Infrastructure Investment Bank (AIIB) as a response to the global economic crisis.

Some scholars observe that this trend is symbolic of China’s identity change from “a defensive power of bitterness and insecurity to a rising power aspiring to take more responsibility”.

The Political/Strategic Undertones of Chinese Humanitarian Activism

Given the central role of the Chinese state in all its humanitarian actions, Chinese humanitarian activities remain
inseparable from Chinese strategic and political objectives.

China’s official stand behind its ongoing humanitarian activism is “the changing world security paradigm in the post-Cold war era”. Chinese ambassador to India, during a recent interaction, commented that since security today has become interdependent, one needs to do away with Cold War mentality and accept a new approach of common, comprehensive and cooperative security\(^37\).

However, from the discourse of the top Chinese leaders, it is evident that there may be some other motivations behind China’s intensifying humanitarian activism, which include, but are not limited to the following aspects.

**National Power Projection**

Moving away from its earlier principle of “taoguangyanghui” or ‘hide strength, bide time’, China now wants to exhibit its growing power. For instance, the Yemen evacuation episode was largely projected by the Chinese side as a development marking “the birth of a truly global Chinese navy”. It has been interpreted as “China joining the elite humanitarian club of countries”\(^38\), symbolizing significant growth in China’s comprehensive national power and Chinese government’s commitment to humanitarianism and internationalism. The underlying idea is to assuage the growing apprehension around China’s rise or its military’s role in the international arena, and bring home the point that China does not want to upset the existing system, instead wants to work in tandem with others to make it better.

**Justifying increasing Military Budget**

The humanitarian-card is being played by the leaders in Beijing to justify China’s increasing military budget. China’s double digit increase in its defence budget for five consecutive years have been a cause of concern for many countries. The PLA officials assert that the increase in China’s military budget is justified given its growing responsibilities in preserving regional stability and world peace\(^39\).

**Intensifying China’s Presence in the Indian Ocean Region (IOR)**

Most of China’s humanitarian activities in the past were concentrated in the African Continent. However, the focus has now shifted to Indian Ocean Region (IOR). According to Chinese media, the PLA Navy’s mission in the Indian Ocean is “essentially
humanitarian but can also transform into the strategic task of safeguarding the international shipping lanes. Hence, while fighting pirates, escorting foreign vessels and participating in emergency missions, China strives to ensure the safety of the choke points in the Indian Ocean and maintain freedom of navigation in the region.

Conclusion

It is evident that based on its unique culture, tradition, value system and influenced by the geopolitical changes of its time, China developed its own school of humanitarianism and practised humanitarian actions accordingly. In the early 1990s and 2000s, there were serious clashes between the Chinese and international/western principles of humanitarianism; However, since the beginning of the 21st century, situation began to change, both inside and outside China, leading the country to soften its stance and be more aligned to the international system. China, in recent times, has further intensified its humanitarian activities and has made the humanitarian agenda more mainstream.

In addition to strategic gains, the objective is to undergo an image makeover from being the ‘discredited, disruptive member of the international community’ to ‘a responsible major power with a spirit of humanitarianism and internationalism’. However, it is yet to be seen if China manages to convince the international community and more so, its own neighbors of its humane intentions and finally win their trust.

Notes


The word humanitarianism is being used here as an overarching concept incorporating all kinds of humanitarian actions as practised in recent times including international/domestic humanitarian assistance and disaster relief, humanitarian aid, humanitarian intervention and operation. This comprehensive approach has been taken, keeping in mind Chinese practice of approaching subjects in a more holistic fashion rather than in a categorical fashion.


Hirono, Three legacies, Note 9.

Internationally recognised humanitarian principles, are essentially the principles of humanity, neutrality and impartiality according to which humanitarian assistance is expected to be carried out as per UN General Assembly Resolution 46/182 (19 December 1991). The


17 Wu, Sovereignty, Note 15.

18 Ibid.

19 In terms of financial resources, China’s foreign assistance started growing steadily after 2004, mentions Chinese White Paper on foreign aid, issued by China’s Information Office of the State Council, in 2011. It says that on the basis of sustained and rapid economic growth and enhanced overall national strength, China’s financial resource for foreign aid has increased rapidly, averaging 29.4% from 2004 to 2009. By the end of 2009, China’s total foreign aid contribution was 256.29 billion yuan. However, from 2010 to 2012 alone, China provided 89.34 billion yuan for foreign assistance (grant 36%, interest-free loan 8.1%, concessional loan 55.7 percent), highlights Chinese White Paper on foreign aid.


23 Davis, From Ideology, Note 16.


25 Although China endorsed R2P at the UN level, in 2005 World Summit Outcome document, and again when the Security Council incorporated the R2P into Resolution 1674, however, it took a cautious stand regarding the application of R2P in subsequent international crisis

26 Davis, From Ideology, Note 16.

27 Andrea Binder and Bjørn Conrad, ‘China’s Potential Role in Humanitarian Assistance,

28 Ibid.


30 Andrea Binder, China's Potential Role, Note 27.


32 Ibid.

33 Bo, ‘Birth of Truly global Chinese Navy’, Note 1.


35 Chinese Ambassador to India, Note 3.

36 Wu, Sovereignty, Note 15.

37 Chinese Ambassador to India, Note 3.


40 Bo, ‘Birth of Truly global Chinese Navy’, Note 1.
Rohingya Crisis: A New Paradigm for Navies

Vijay Sakhuja

A humanitarian crisis in the Bay of Bengal has attracted international attention; over 4,000 Rohingya migrants, also referred to as the ‘boat people’, embarked on rickety vessels have been sighted or intercepted by the maritime security forces of Indonesia, Malaysia, Myanmar and Thailand. Many more may still be at sea and their handlers are waiting for an opportunity to land them on the shores of the eastern littoral countries of the Bay of Bengal.

The ongoing boat people crisis unfolded after a crackdown on people-smuggling gangs in Thailand, and the discovery of nearly 140 graves at 28 suspected people smuggling camps along Malaysia’s northern borders further aggravated the situation. The crisis took a politico-humanitarian turn and the international community accused the Southeast Asian nations of ‘cold-hearted policies’, pushing Rohingya back to the sea and not allowing the desperate people to land ashore. The UN High Commissioner for Refugees (UNHCR) urged Thailand, Indonesia and Malaysia to offer temporary shelter to the boat people adrift in the Andaman Sea. During the last three months, several Rohingya people have perished at sea and nearly 50 decomposed bodies were found washed on the waterfronts of Rakhine state, Myanmar.

In the midst of the crisis, several regional countries deployed navies and maritime enforcement agencies. They were not only successful in preventing the boat people from landing ashore but also engaged in search and rescue (SAR) and provided humanitarian assistance. The Thai Navy deployed seven vessels and a variety of aircraft- HTMS Anthong, an Endurance class Landing Platform Dock (LPD) to serve as a floating hospital cum interrogation centre; two frigates HTMS Saiburi and HTMS Thayan Chon; a landing craft, three patrol boats and four naval aircraft. These forces air-dropped food, provided water,
and in one instance repaired the engine of the vessel carrying the boat people. Apparently, the boat people were quite satisfied with the assistance and stated that they planned to continue their voyage to a ‘third country’ i.e. Malaysia. Although, Thai Prime Minister General Prayuth Chan-ocha announced medical care for the boat people and assured shore based temporary shelters, but cautioned that boat people would be treated as illegal migrants.

The Malaysian Navy, Malaysian Maritime Enforcement Agency (MMEA) and Malaysian Marine Police launched operations to offer assistance to the boat people adrift at sea. Consequently, Malaysia put into operation 11 ships and three helicopters for search and rescue. The Malaysian Deputy Home Minister stated that “If the boat is still good and can sail back, we give them food, and drink and fuel and send them back”. Likewise, the Indonesian authorities stated that “The people on the boat did not want to go to Indonesia, but they asked for help, clean water and food... After the aid was given, they parted”. The Myanmar Navy recued a boat carrying 707 Bangladeshi nationals and they were escorted ashore for interrogation and subsequent deportation.

The US Navy announced plans to ‘[work] with local partners’ and deployed P8-A Poseidon maritime surveillance aircraft at Sabang, Malaysia. It also requested Thailand for permission to operate from Phuket since its naval aircraft were still in Thailand having completed the ‘Guardian Sea’, a five-day anti-submarine warfare training exercise in the Andaman Sea. The Thai Armed Forces refused the US request and it has noted that “We have enough military support to look for Rohingya boats…If we do find any boats we will deal with the matter according to Thai laws. We will also provide those on board with humanitarian aid”. Further, the Thai Air Force stated that “we have a fixed space for US military aircraft in long term. However, this space is very small and we don’t want their aircraft tied to this area”. Apparently, Thailand’s reaction was in response to the US ‘pressure to resolve human trafficking problems’.

It is true that Indonesia, Malaysia, Myanmar and Thailand are caught up in the Rohingya crisis, their ability to engage in SAR and humanitarian assistance is noteworthy. For Thailand, this is a welcome development given that the Thai Navy was under tremendous pressure after it was accused in 2013 of pushing the boat people to the sea without offering them any assistance including firing at them. Earlier too, in 2009, nearly 300 boat people landed
on Indian shores in the Andaman and Nicobar islands, amidst reports that had been pushed back to the seas by the Thai Navy.

The navies and maritime agencies are in the forefront of the current humanitarian crisis involving the boat people and have successfully responded to this human induced disaster; they would, in future, have to train for multiple missions simultaneously. This entails an overhaul of their training, education and equipment. The SAR and humanitarian assistance operations are inherently platform intensive and require specialist ships to carry helicopters and also be able to provide food, water and medical assistance. This capability is still evolving among the Southeast Asian navies. Further, there is a compelling need for a new imagination among the naval and maritime enforcement agencies of human induced security issues which will require a newly defined strategy in terms of force structure, human resource, and roles and missions. Above all a cooperative approach to address human security issues at sea will be the new defining paradigm for the navies.

9 June 2015
EU Response to the Refugee Crisis: An Analysis

Abhiruchi Chatterjee

Globally, the refugee crisis in Europe has drawn international concern. The movement of hundreds of thousands of people from conflict-torn homelands in Asia and Africa towards a perceivably safer Europe saw the unfolding of the largest refugee crisis experienced by Europe since the Second World War. With prolonged and protracted conflict in Europe’s neighbouring regions - Syria, Afghanistan, Iran, and dictatorial oppression in Eritrea, thousands of people were compelled to flee their homelands in search of safe and secure environment for living.

These fleeing people were being widely termed ‘migrants’ by media and governments, until the United Nations High Commissioner for Refugees (UNHCR) released reports stating that an overwhelming majority of those risking their lives to cross the seas are genuinely fleeing conflict and persecution in their homelands, and have the right to seek international protection under the 1951 Convention Relating to the Status of Refugees, the authoritative international document that determines the status of refugees.¹

Due to the lack of legal avenues to seek asylum, these people are compelled to migrate illegally, risking their lives onboard in unseaworthy vessels. Most of the time, the vessels are overloaded, much beyond their capacity. Compared to land and air, the sea is an “anarchic domain,”² and becomes a gateway for illegal migration. In order to avoid getting caught, smugglers take riskier routes. These conditions have led to the capsizing of many vessels and loss of lives.

The sea becomes the key medium to Europe for asylum seekers. According to the International Organization for Migration (IOM), about half a million people have crossed the Mediterranean Sea in 2015, and many more are expected to follow suit.³ Consequently, the number of deaths at sea has also
increased - from 3500 in 2014 to more than 2500 deaths in the first half of 2015 itself.\textsuperscript{4}

The refugee crisis has tested the new maritime strategy of the EU, released in 2014, and also led to a reassessment of EU’s policies towards refugees. This paper focuses on the maritime dimension of the crisis and analyses EU’s response.

**The Naval Response**

Although migrants have long been reaching European shores illegally using sea routes, the issue, however, caught global attention only in 2015, due to the scale of the crisis, and the number of deaths. Two shipwrecks of migrant vessels from Libya that occurred in the Mediterranean Sea near the Italian island of Lampedusa in October 2013 was the first such case, in the recent past that caught public attention. Several hundreds were rescued by the Italian coast guard; nevertheless, many others lost their lives at sea. This incident sensitised the Italian government to migrant deaths at sea, inducing the air and naval rescue operation, *Mare Nostrum*.\textsuperscript{5} The operation saved many lives at sea, and ensured the safe arrival of migrants to Europe. However, the operation was expensive, resource-consuming and politically unpopular, and it also lacked support from the European Union and other states.

After a year of its operation, it was replaced by a smaller force by European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX) from the EU. This was decided on the basis of the belief that rescuing migrant boats encourages more people to attempt crossing the Mediterranean. However, this did not prove to be an effective deterrent for migrants; in fact, a smaller force resulted in a visible increase in the number of deaths at the Mediterranean Sea. For the migrants, taking a life-risking chance on unseaworthy smuggler vessels was no less than the insecurity and instability due to protracted conflicts in their homelands that they were leaving behind.

The biggest, most notable incident occurred in April 2015 off the coast of Libya, when a migrant vessel capsized, causing approximately 800 deaths, which is the largest since the Second World War. This shipwreck jolted EU into realising that a grave humanitarian crisis was unfolding at its own shores. Europe’s apathy to the crisis till then was highly ironical for a continent priding itself on upholding human rights and human dignity.

The April 2015 accident jolted the EU into action, which culminated into a
major decision by the EU to launch the operation-EU NAVFOR Mediterranean in the Southern Central Mediterranean to prevent further loss of life at sea. This operation has been rechristened as Operation Sophia, after the name given to the baby born to a rescued mother on the ship engaged in this operation. This operation is intended to disrupt the network and practices of growing human smuggling and trafficking in the Mediterranean.

There are a number of hazards in sea travel for the refugees. They are transported illegally by human smugglers, who take riskier routes to evade state authorities. The safety and security of the migrants is compromised. Many vessels are not equipped with infrastructure to be prepared for the challenges and threats at sea. Sometimes, passengers, including children, do not even have basic necessities such as life jackets. Recently, the image of the dead body of a three-year-old Syrian boy, Aylan Kurdi, washed ashore went viral in social media, directing attention to human smuggling via sea and evoking global outrage over the lack of effective and urgent action taken by governments.

The work of smugglers is unmistakably illegal, and they do not provide adequate safety measures at sea, but their services are taken as the last possible option by asylum seekers to escape conflict and persecution, even facing human rights violations, and great risk to personal life and property in the process.

By focusing primarily on targeting smuggling networks, the EU is only disrupting a medium, not the root cause. As is evident in the recent past, migrants and refugees were willing to take enormous risks even playing with their families’ lives to reach safety. They seem to be very resilient in their determination and are willing to cross dangerous and deadly sea and land routes to flee from conflict to safety. This is not an effective long-term approach to end this crisis. Deployment of resources should rather be focused on maritime Search and Rescue (SAR) instead, to minimize loss of life at sea and facilitate legal avenues for entering so that migrants and refugees do not have to resort to the services of smuggler networks. Consequently, this will reduce, if not eliminate the need for refugees to opt for smuggler vessels. As a result, smuggling networks will not survive, with the lack of demand.

Despite a security-oriented approach by the EU in the Mediterranean, various non-governmental agencies are working hard to prevent loss of life at sea.
Apart from the most notable work by UNHCR, which has set up registration centres, and facilitates the legal processes and applications for asylum seekers, humanitarian agencies like Médecins Sans Frontières (MSF) have deployed rescue boats to provide medical aid, food and water, etc. to vessels in distress. The Migrant Offshore Aid Station (MOAS), which was established in the aftermath of the Lampedusa accidents in 2013, is working diligently by patrolling frequent migrant routes, and providing aid. These agencies are coordinating with state authorities to minimize duplication of effort and are sharing resources. These organizations, along with notable media agencies such as the BBC also play a crucial role in updating the world via twitter and press releases, as information regarding developments at sea is not as immediately and widely accessible to the public as newsworthy events on land.

**The Political Dimension**

Although many states such as Lebanon, Turkey and Pakistan have hosted large numbers of refugees that are challenging their national capacities and even altering internal demographics, the EU humanitarian crisis is gaining more global attention as it is occurring in the richest continent of the world, and is widely perceived to be the safest.

At the same time, the surge of refugees has compelled observers to look at sources of the problem. Protracted conflict and the terror of Islamic state in Syria and absolutist dictatorship in Eritrea make strong cases to protect those fleeing these regimes. Furthermore, it re-sensitised the world to relook and resolve the oppression in these states. The EU is pumping in nearly 4 billion Euros for “humanitarian, development, economic and stabilisation assistance to Syrians in their country and to refugees and their host communities in neighbouring Lebanon, Jordan, Iraq, Turkey and Egypt.”

As conflicts from the neighbouring regions are spilling over to its shores, Europe can no longer relegate conflicts to the background. The refugee crisis disrupts what Basil Germond describes as Europe’s two-pronged geo-strategy: on the one hand, promoting European values and ideas in zones of influences beyond its borders, and on the other, fortifying Europe from outsiders, creating a zone of immunity from global conflicts.

As the world looks to Europe for leadership and critical decision making in a crisis which compromises the state and the region’s security and at the same time, is humanitarian in nature, Europe
is walking thin rope between upholding its humanitarian obligations to refugees to preventing loss of life at sea, as also protecting its maritime frontiers.

The refugee crisis has been a crucial test for the solidarity of the EU as a regional and a supra-national organization. Fortunately for the migrants, the EU is accepting incoming refugees, and not closing their doors, despite opposition from some member states. By disrupting this stability, the refugee crisis has also raised the question of borders, and border security. While a majority of states and even more people welcome refugees, some states such as the UK, Denmark, Austria, Hungary, and Slovakia are reluctant to accept refugees. Some governments such as those of Austria and the UK have even built fences across their borders. Even though France had an open door policy for refugees, French President François Hollande ordered closing French borders after the recent terror attacks in Paris. The attack, in fact, reflects the terror and insecurity that the refugees are fleeing from, and reiterates the need to provide international protection from the oppression of extremist actors.

According to some analysts, there have also been murmurs of revoking the Schengen area in the face of this crisis. While the EU President Juncker has negated this, the possibility of revoking the Schengen agreement would be a potential step back in one of the most monumental achievements of the EU as a regional organization in creating regional trust and mobility.

The crisis also evoked the re-evaluation of European policies on asylum seekers. The Common European Asylum System is not proving to be effective. Additionally, the Dublin Regulation that presently guides the European asylum system has also come under severe criticism. According to this regulation, asylum seekers have to register and process their applications in the state in which they first landed on European shores. While this was done to avoid replication of asylum applications, it, however, puts the states located in the periphery of Europe at a major disadvantage. Particularly in this crisis, Italy and Greece are currently hosting respectively 115,000 and 213,000 asylum seekers at present. By restricting their mobility and ability to apply for applications in other states, the time taken to process applications will be at least months, if not years. That can potentially strain the respective state’s resources as well as inhibit the asylum seekers’ ability to work, be independent, and mobile. A central database system
that enables information sharing on asylum seeker applications across member states can overcome this limitation.

The problem of illegal migration by thesearouteisneitheranewphenomenon, nor is it endemic to Europe; but the scale of the crisis and the geo-political area within which it is unfolding is critical. Conflict remains a critical push factor, and lack of legal avenues further the risks taken by migrants. Further, states like Malaysia and Australia, which are attractive destinations for illegal immigrants via sea, can draw from Europe’s experience to formulate more informed policies and responses. It must be noted that illegal migration via sea is a transnational phenomenon, and therefore, response at the regional level is more balanced than a national strategy, which may predictably look primarily at the state’s core national interests, with international humanitarian obligations on the side-lines. Secondly, as the area of surveillance and SAR increases at the regional level, understanding patterns and analyses can be more comprehensive in reaching at an effective solution.

At the same time, it may be unrealistic to expect a Europe-like level of regional integration and cohesiveness anywhere else in the world. But as EU President Jean Claude Juncker, in his State of the Union speech in September, gave the example of Europe's past of “war and political persecution” during the two World Wars, and the incredible number of refugees that resulted in, and looking at Europe’s cohesiveness as a region now, regional cooperation foregoing narrow national identities, is not a wild stretch of imagination. He also took pride in Europe being a beacon of hope for those torn by conflict, when historically Europe has had the most intense military conflict within. Therefore, a move from regional conflict to cooperation, particularly for common challenges such as illegal migration at sea, can potentially be a feasible option. Also, bilateral, multilateral, regional co-operation can even eradicate illegal migration by the sea route for states where the asylum seekers originate from within the region.

At the same time, Europe should not be the yardstick for success and there are good examples even beyond Europe. For instance, the 1969 African Refugee Convention has an even more liberal approach to protection than the 1951 UN Refugee Convention, where the scope of the definition of a refugee is widened, and there is a tilt towards greater collective responsibility to provide shelter. Moreover, the various
imperfections in the European response should be kept in mind while learning lessons from it. Internal disagreements within the EU states has not only proven to affect the efficacy of decisions taken by the EU, but also brought into question the success of the EU as a supra-national regional organization. The migrant crisis has been a tough test for the implementation, direction and the effectiveness of the EU Maritime Security Strategy (MSS). The subsequent EU naval operation EU NAVFOR Med Sophia has an increasingly militaristic tilt, rather than providing the very essential SAR in the Mediterranean, which is the need of the hour.

The migrant crisis brings out the vulnerability at sea that both migrants as well as states face. This reiterates the indispensability of maritime preparedness and the vitality of maritime domain awareness for better national and human safety.

26 November 2015

NOTES


5 Mare Nostrum Operation, For further information, see link: http://www.marina.difesa.it/EN/operations/Pagine/MareNostrum.aspx [Last accessed: 20 Oct 2015].

7 Basil Germond, 2015. The Maritime Dimension of European Security: Seapower and the

8 The analysis draws from various social media, particularly Twitter posts in the aftermath
of the attacks. For further information, see links: https://twitter.com/RFCdan/status/665302723592519680, https://twitter.com/KenRoth/status/666177796679536640
[Last accessed: 15 Nov 2015].

9 The Economist, 2015. Why the Schengen agreement might be under threat. [Online] See link:

n.6.

Deconstructing the Humanitarian Crisis in Calais

Abhiruchi Chatterjee

Since July 2015, Calais, a port town in northern France, has been in the news over an imminent humanitarian crisis. A few thousand migrants from the Afro-Asian region have been reaching Calais to cross over to the United Kingdom via the English Channel. They have been staying temporarily at a camp called the “Jungle,” as the place is a jungle of tents, with no facilities even for basic necessities. The camp serves as a transit point for those illegally entering the UK. The “Jungle” as a gateway for illegal migration to the UK has existed since several years; but it has grabbed global attention recently due to the dramatic increase in the number of migrants, their desperation leading them to take extraordinary risks. This has led to a severe crackdown on the migrants by the British and French authorities.

A majority of the migrants are Syrians, Afghans, Eritreans, Iranians, and Sudanese. They are fleeing war, conflict, and persecution in their homelands. With no livelihood or peace at home, they are migrating to seek stability. These migrants have managed to reach Calais after crossing the Mediterranean Sea. According to United Nations High Commissioner for Refugees (UNHCR), “more than 300,000 refugees and migrants have used the dangerous sea route across the Mediterranean so far this year.” Only a fraction of those crossing the sea attempt to go beyond the first asylum states, like Italy and Greece, and even fewer those with marginally better financial means seek to reach the UK.

For these migrants, the economic and political triggers are inextricably linked. However, international law on the subject embodied in the 1951 Refugee Convention distinguishes political asylum seekers as genuine, and economic migrants as illegitimate and undeserving that is distinguishing between those who are genuinely in need of humanitarian assistance and those who are seemingly abusing asylum as a means of attaining a better standard of living.
The crisis is receiving much attention worldwide. Some media reports dehumanise the migrants, labelling these as threats to the state’s security and economy. As per their projections, these migrants will capture local jobs and consume national economic resources, and are already causing losses to tourism and transportation industries. On the other hand, many view the humanitarian dimension of the problem as being paramount. They acknowledge the desperation driving the migrants, and understand that the contingency needs to be addressed with a more nuanced approach befitting the international obligation of states.

Driven by compelling reasons, the British and French governments seem to have responded to the crisis by securitizing the issue. The UK has adopted laws and policies to deter illegal entry into their territory. The influx of illegal migrants has highlighted the loopholes in their maritime border security; as a result they have increased expenditure to fortify their borders. Recent laws in the UK banning landowners from letting illegal immigrants stay discourage the public from assisting illegal migrants.

According to the 1951 Refugee Convention, the authoritative international document in determining the status of refugees, migrants cannot claim asylum without physically entering the territory of that state. However, legal entry is not feasible without proper documentation. Due to the nature of the terrain, land boundaries are highly guarded, and air travel is strictly controlled. The maritime domain, on the other hand, provides an inexpensive means of transport which is less regulated. Consequently, shrinking legal avenues to seek asylum increasingly compel migrants to take higher risks in sea travel. Thus, the sea, due to its very nature, becomes a rare gateway to what has been described as “fortress Europe.”

The response strategies by the UK and France have focused primarily on the illegal nature of the problem. While these countries take a short-term view of the imminent challenges to the security and social fabric of the state, the longer term repercussions cannot be ignored since merely ‘security-oriented’ policies may prove to be counterproductive in the longer run. These will incentivise a possible increase in illegal transnational maritime activities, which in turn can further complicate maritime security in the region through human smuggling, and the attendant obligations of maritime search and rescue (M-SAR).

There is a need to develop a more comprehensive, long-term approach
towards the migrants in Calais, by enabling legal routes via the channel, land or air, and possibly short term rehabilitation, after which they can be resettled in a third country. The global and transnational nature of the crisis needs to be recognized, and it must be addressed collectively. The collective response by European Union (EU) to accommodate the incoming refugees is a step in the right direction. Earlier this year, EU member states have collectively agreed to share the burden of incoming asylum seekers. States like Sweden have offered to accommodate asylum seekers and help them integrate and rehabilitate, despite a less direct flow of migrants to these states, and Germany is taking regional leadership in tactfully responding to this challenge. In spite of this, many migrants vie to go to the UK, due to affinities with its language and culture, its potential as a destination for illegal employment and, in several cases, due to their relatives and friends who have migrated to the UK earlier.

In the end, for a stable long term solution, and in order to prevent any conflicts, the transcontinental nature of this challenge necessitates the United Nations’ involvement. Furthermore, presently the 1951 Refugee Convention is authoritative in determining the legal status of asylum seekers. However, it favours political asylum seekers as genuine, over economic asylum seekers. It is often difficult to clearly distinguish between the two categories. International law needs to be evolved further in order to accommodate and elucidate on this categorization.

While migration via sea is hardly a new phenomenon, the conflicts and instability that evoke such migration, the scale of the problem, and the nature of actors involved such as the modern state, international law, international Non-Governmental Organizations (NGOs), and regional organizations make this a major contemporary regional challenge which bears the potential to cause a grave humanitarian crisis with global ramifications.

8 September 2015
Developments in Clean Shipping: IMO Regulations and its Implications

Kapil Narula

A new regime for controlling SOx emissions from ships was ushered in the designated Emission Control Areas (ECAs)1 earlier this year, which was a proverbial shot in the arm for clean shipping. The new regulations stipulate that the permissible amount of sulphur content in fuel oil used onboard2 ships has to be reduced by ten times from the current 1.00 per cent3 m/m (by weight) to 0.10 per cent m/m4. These requirements were adopted under the International Convention for the Prevention of Pollution from ships (MARPOL) Annex VI (Regulations for the Prevention of Air Pollution from Ships), specifically under regulation 14, which covers emissions of Sulphur Oxides (SOx) and Particulate Matter (PM) from ships. The existing established ECAs5 under MARPOL are:

(a) Baltic Sea area – as defined in Annex I (SOx only)
(b) North Sea area – as defined in Annex V (SOx only)
(c) North American area (designated coastal areas around the coast of United States and Canada, effected from 01 August 2012) – as defined in Appendix VII of Annex VI (SOx, NOx and PM)
(d) United States Caribbean Sea area (areas around Puerto Rico and the United States Virgin Islands, effected from on 01 January 2014) – as defined in Appendix VII of Annex VI (SOx, NOx and PM)

Efforts in Controlling Emissions from Shipping Sector

The Third IMO GHG Study 20146 estimated that international shipping emitted 796 million tonnes of carbon dioxide (CO2) in 2012 (about 2.2 per cent of the global emissions), against 885 million tonnes in 2007 (about 2.8 per cent in 2007). Unknown to many, emissions from the shipping sector are not appropriated to any country. This is
due to the complexity in accounting and proportioning emissions from shipping as ships have different port of origin, destination port and intermediate ports of call. Further ships often operate as ‘flag of convenience’.

While the above factors were an impediment in including international shipping in any country based GHG emissions accounting framework, it proved to be a boon for clean shipping. The shipping sector led the way by defying the deadlock in climate change talks and was able to successfully adopt a regime for controlling NOx and SOx emissions. It also agreed on implementing a mandatory GHG emissions reduction mechanism exclusively for the shipping sector and is the only legally binding global agreement on controlling emissions after the Kyoto protocol.

Three key agreements have been adopted by the IMO for control of airborne emissions since 2010, and these continue to be implemented by the Marine Environment Protection Committee (MEPC) in a phased manner. These are,

(a) Adoption of NOx Emission Standards for engines.

(b) Reduction in sulfur content of fuel to contain SOx emissions.

(c) Mandatory mechanisms to reduce GHG from ships by implementing technical measures such as Energy Efficiency Design Index (EEDI) and operational measures such as Ship Energy Efficiency Management Plan (SEEMP) onboard ships.

Although Emission Trading Scheme (ETS) and Market Based Mechanisms (MBMs) have still not been implemented by the shipping sector, work is in progress for building capacity towards operationalising a sound Monitoring, Reporting and Verification (MRV) system.

Implications for the Shipping Industry

Shipping is highly energy efficient and cost effective form of transportation. However, prior to 2005, merchant ships used marine bunker fuel having a sulphur content of more than 4.5 per cent m/m. In comparison, the diesel used in a car has a sulphur content of less than 0.001 per cent. Undoubtedly, a shift from 1 per cent to 0.1 per cent in sulphur content of the fuel will have positive implications on the environment as it will lead to a 90 per cent reduction in SOx emissions and approximately 20 per cent reduction in PM emissions. However, there are other impacts which have to be carefully considered.
(a) High cost of low sulphur fuel: Ships operating in the ECAs will now have to switch to cleaner fuels such as Marine Gas Oil (MGO) which has higher cost due to the various complexities involved in refining. It is estimated that reducing the sulphur content in fuel from 1 per cent to 0.5 per cent will incur an additional cost of Euro 115 per tonne while reducing it further from 0.5 per cent to 0.1 per cent will result in an additional cost of Euro 200 per tonne. This will dramatically increase the cost of shipping operations.

(b) High cost of incorporating technological options: One alternative for ships to lower SOx and PM emissions is to employ scrubber technologies by modifying the engine exhausts to prevent the escape of SOx and PM from the ship. Sea water scrubbing can be used to wash SO\textsubscript{2} out of the exhaust gases by a treatment process. The scrubber installation can be used both for main engines and auxiliary engines, and is likely to become a cost-effective alternative to low sulphur fuels. However, as the costs of deploying scrubbers range from 320-580 Euros/tonne sulphur dioxide it will add to the operational costs for ships.

(c) Possible shift away from shipping: Fuel costs contribute to 45 per cent, 55 per cent and 75 per cent of the share of total running costs for product tankers, bulk carriers and container ships respectively. Use of fuel with lower sulphur content will significantly increase the cost of operations for the shipping industry and will lower the profitability of shipping operators. If the increase in fuel costs is passed onto the consumer, it may cause a modal shift to road transport for short haul routes with implications of higher aggregate CO\textsubscript{2} emissions. This will deal a double death blow to the shipping industry which is already reeling under overcapacity and thinning profits.

(d) Shift to LNG bunkering: While the shipping industry adopts lower emission standards, the high cost of compliance may trigger a shift to LNG as a fuel
for shipping. Some trends are already evident in this regard and it is estimated that the global fleet of LNG-powered ships would increase to almost 1,800 vessels by 2020. DNV has also forecasted that 7-8 per cent of new ships which are built from 2012 to 2020 will be able to run on LNG. This will hasten the transition to a new era of LNG shipping.

(e) Future implications for shipping in areas outside ECAs: The move to lower the content of sulphur is noteworthy as it paves the way for cleaner shipping in the ECAs. This also has implications on shipping outside the ECAs as it gives an opportunity to observe the impact of these regulatory amendments on the highly competitive shipping industry. For areas outside ECAs the limit on the content of sulphur in fuel for use onboard ships was reduced to 3.5 per cent on 01 January 2012 and according to the proposed schedule it would be reduced to 0.50 per cent m/m after 01 January 2020. This implementation date is subject to a review, which would be completed by 2018 and depending on the outcome of the review, the implementation date could be deferred to 01 January 2025. The IMO is expected to perform the review based on various parameters such as the global supply and demand for low sulphur fuel oil, trends in low sulphur fuel prices and is likely to take into account technological constraints or any other relevant issues. Hence the impact of the new regulation in the ECA has a wider implication for clean shipping across the world and has to be closely watched.

Challenges

Although the regulations have been implemented from 01 Jan 2015, there continue to be many challenges some of which are discussed below.

(a) Technical challenges: Ships which operate outside as well as inside the ECAs use different types of fuels. As Heavy Fuel Oil (HFO) has different properties (high viscosity), compared to low sulphur distillate fuels, it can create technical problems for the engines such as an increased risk from mixing of two types of fuels which may lead to clogging
of filters. This can lead to engine failure resulting in loss of power during fuel switching from HFO to MGO\textsuperscript{18}. Therefore certain changes in the design and storage of the fuel system have to be undertaken onboard ships. Low sulphur distillate fuels also have a lower flashpoint and need to be handled much more carefully than HFO onboard ships. Further there are additional operating procedures such as recording the quantities and types of fuels purchased at different ports, recording the date, time and position of the ship when switching over from one fuel to another and keeping an account of bunker notes as per written procedures, which will add to the operational workload of the crew.

(b) Limited enforcement capabilities by ECA countries: There is still no mutually agreed mechanism for monitoring of vessels entering the ECAs and there is no uniform standard for penalties in case of observed violations. Currently, countries are taking different approaches to monitoring and enforcement. Authorities in the U.S. are ensuring compliance by increased checking of bunker delivery notes, logbook entries and fuel samples while other countries such as Denmark plan to use as air surveillance and ‘remote sniffers’ to measure sulphur emissions. Therefore lack of robust enforcement and strong penalties may encourage violation of rules by shipping operators.

(c) Possibility of non-availability of low sulphur fuel: There continue to be certain concerns and uncertainty on the supply of low sulphur fuel in the main bunker ports world-wide. While refineries are expected to make technical changes to meet the demand of low sulphur MGO, it requires significant investments and therefore refinery owners are adopting a wait and watch strategy. While Annex VI requires that each ECA country shall “take all reasonable steps to promote the availability of fuel oils and inform the IMO of the availability of compliant fuel oils in its ports and terminals”, there may be a situation where there is limited or no supply of low sulphur fuel.
Conclusion

While shifting to low sulfur fuel in the ECA is a progressive step for a transition to an environment friendly shipping industry, it has wider implications. The present efforts by IMO in controlling emissions from shipping sector are laudable, but there are concerns, limitations and challenges for the shipping sector which emerge from this change. In the short term, there might be concerns on the costs for clean shipping, but the current low prices of crude oil offer an opportunity to embrace this change. It can be concluded that the shipping sector is well on the path to lower its emissions and has a large potential to further strengthen and leverage its competitiveness while emerging as a leader in clean transportation.

23 April 2015

Notes

1 MARPOL Annex VI, which entered into force in 2005, allows for a specially designated sea area where the adoption of special mandatory measures for emissions from ships is required to prevent, reduce and control air pollution from NOx, SOx and/or particulate matter so as to reduce their adverse impacts on human health and the environment.

2 Fuel used onboard ships includes use in main and auxiliary engines and boilers. Exemptions are provided for securing the safety of the ship or saving life at sea, or as a result of damage to a ship or its equipment.

3 Applicable from 01 July 2010 to 31 December 2014.

4 0.10% m/m equals 1000ppm (parts per million).


7 Flag of convenience is the practice of registering a merchant ship in a state which is different from that of the ship’s owners, and flying that state’s civil ensign on the ship. Ships are registered under flags of convenience to reduce operating costs or avoid the regulations of the owner’s country.
Lower standards are adopted for high seas while higher standards are adopted in designated ECAs.

The regulations entered into force through the tacit acceptance procedure on 01 January 2013 and apply to all ships over 400 gross tonnage and above.

These measures are expected to deliver 23% reduction in emissions by 2030, compared to frozen-technology scenarios according to a study by IMO.

MGO is pure distillate oil and is used in boats. It generally has 1.5% sulfur content.


Costs for retrofitting are 20-40% higher.


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