

India and China

Constructing a Peaceful Order in the Indo-Pacific

Editors

Gurpreet S Khurana
Antara Ghosal Singh

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National
Maritime
Foundation

INDIA AND CHINA: CONSTRUCTING A PEACEFUL ORDER
IN THE INDO-PACIFIC

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Gurpreet S Khurana
Antara Ghosal Singh

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Foreword

India-China relations have always been dynamic, and a defining factor in the emerging security and geopolitical environment of the Indo-Pacific region and broader Asia. In contemporary times, the apex leaderships of the two countries have gone further to say that the progress India and China make to strengthen bilateral ties would contribute to global peace and security.

This provided an apt backdrop when the National Maritime Foundation (NMF) and the Hainan Institute for World Watch (HNIWW), Haikou conducted their second Dialogue at New Delhi in November-December 2015. This volume is a compilation of papers presented during the Dialogue. It represents an endeavour to encapsulate the perceptions and ideas of Indian and Chinese participants to explore the potential for cooperation, while identifying specific issues. A notable context of this publication is provided by the first-ever inter-governmental India-China Maritime Affairs Dialogue held earlier this year in February 2016. Even while the inaugural dialogue was essentially an ‘icebreaker’, it may be considered a seminal development in India-China relations.

I am confident that this book would contribute to creating better mutual understanding of perspectives on issues of mutual interest, besides providing valuable inputs for national policymakers, including for more substantive discussions during future maritime dialogues between the two countries.

May 2016

New Delhi

Admiral DK Joshi

PVSM, AVSM, YSM, NM, VSM (Retd.)
Chairman, National Maritime Foundation
Former Chief of the Naval Staff

Preface

In September 2014, the Indian Prime Minister Narendra Modi summarized the potential of India-China relations through the mantra of ‘INCH (India and China) towards MILES (Millennium of Exceptional Synergy)’. It implies that every ‘inch’ the two countries cover in their bilateral ties will eventually translate into ‘miles’, not only for the two nations but also for all of Asia and humankind. This spirit was further reinforced by the Chinese President Xi Jinping. During his India trip in May 2015, he said that when China and India speak in one voice, the world will listen.

It was in the midst of such atmospherics between the two resident major powers of the ‘rising’ Asia, that India’s *National Maritime Foundation* (NMF) and China’s *Hainan Institute for World Watch* (HNIWW) organised the second bilateral dialogue at New Delhi in November-December 2015, to further the objectives of the institutional arrangement between the two think-tanks, and to reinforce the spirit of engagement between them.

Earlier in 2014, the NMF and HNIWW had held their first NMF-AWW (Academy for World Watch) dialogue at Haikou and Sanya, Hainan. Its rather modest objective was encapsulated in the theme ‘*China and India: Exploring Convergences in Asia*’. Encouraged by the substantive findings of this inaugural event, the two institutions strove to take a step forward for the second dialogue, and adopted the theme, ‘*India and China: Constructing Peaceful and Stable Maritime Order in the Indo-Pacific*’. The deliberations were conducted over five sessions covering specific sub-themes, beginning with the ‘Strategic

Scenario in the Indo-Pacific region’, and culminating in the ‘Prospects for India-China’ Maritime Cooperation’. The role of major powers in Indo-Pacific region, China’s increasing stakes in the Indian Ocean, its ‘One Belt One Road’ (OBOR) initiative, and India’s ‘Act East’ policy were also discussed in specific sessions. This book is a compilation of the research papers presented during the dialogue. It seeks to disseminate fresh and constructive insights on its central theme to the broader strategic community, policymakers and academia in the two countries.

In the first chapter relating to the sub-theme ‘*Strategic Scenario in the Indo-Pacific Region: A Chinese Perspective*’, Professor Sun Yang, Executive Director, AWW, provides a broad overview of the evolving geopolitical situation in the Indo-Pacific. He stresses on the emerging multilateral military cooperative mechanisms in the Indo-Pacific region, involving the United States (U.S.), Japan, India and Australia. He argues that the strategies of countries like the United States, Japan, and their allies and partners – and the increasing security cooperation amongst them – are premised on the strategic containment of China. This, he argues, is increasingly constraining China’s strategic space and options in the Indo-Pacific region. Given such circumstances, Beijing is compelled to develop its military power to cater for worst case scenarios. The Professor alludes to the long-term possibility of China-India cooperation, but predicts that in the medium-short term, containment will remain the main characteristic of the Sino-India maritime relationship. Owing to the lack of mutual trust, their relations are susceptible to instability on account of the outstanding land boundary issue.

In the second chapter corresponding to the same sub-theme, Professor Swaran Singh, Professor of Diplomacy and Disarmament at School of International Studies, JNU, presents a contrasting Indian view, in terms of how both New Delhi and Beijing are engaging with the ‘Indo-Pacific framework of geopolitics’ in a ‘subtle’ manner. He argues that

civilisational nation-states like China and India are unlikely to simply follow the dominant Anglo-Saxon binary paradigm of ‘bandwagoning’ or ‘confrontation’, and will adopt rather nuanced formulations and metaphors. He says that India has been talking of ‘multi-alignments’, an idea that goes back in history to Chanakya’s *Mandala* theory. India is reaching out to the United States and its allies, largely in the domains of ‘maritime security’ and related ‘capacity building’. On the other hand, it is engaging China in its economic networks like the Regional Comprehensive Economic Partnership (RCEP), New Development Bank (NDB), Asian Infrastructure Investment Bank (AIIB), etc., and is not likely to participate in the India’s U.S.-led Trans Pacific Partnership (TPP). This clearly indicates that its relations with the U.S. and China are ‘de-hyphenated’. He urges the need to understand and appreciate such nuanced formulations in the conduct of foreign relations, which are fast developing into viable national-strategies for dealing with the geopolitical dynamics in the ‘Indo-Pacific’ region.

The next two chapters address the sub-theme of China’s OBOR initiative. In chapter three titled ‘*China’s Belt and Road Initiative and India’s Approach*’, Ms. Antara Ghosal Singh of the NMF highlights India’s ‘incremental but positive’ approach towards China’s OBOR project, especially in the backdrop of growing apprehensions within China’s strategic community on India’s reticence to OBOR, at times interpreting it as “India’s ploy to stymie the Chinese initiative, and maintain its dominant position in the Indian Ocean Region (IOR)”. She counters this view by arguing that the BCIM (Bangladesh-China-India-Myanmar) Economic Corridor – integral to OBOR – is fast evolving as a symbol of China-India bilateral cooperation, aimed at a win-win proposition for all countries in terms of economic development of the sub-region. She concedes, however, that in terms of OBOR, some key differences between India and China exist. Among the most salient is the China-Pakistan Economic Corridor (CPEC) that traverses through Pakistan Occupied Kashmir (PoK), which New Delhi vies as ‘disputed territory’.

In the fourth chapter titled ‘China’s *OBOR Initiative and Role in the Indian Ocean Region*’, Dr. Mao Jikang of HNIWW highlights the importance of Indo-Pak détente for the successful implementation of OBOR. Factoring India’s strong reaction to the CPEC across the PoK area, he argues that China’s continued disregard for India’s concerns will only increase China’s difficulties to fructify the economic corridor project. He adds that China needs to understand India’s concerns over Pakistan-based terrorism, facilitate India-Pakistan cooperation on the problem, besides negotiations over the Kashmir issue. He further suggests that India could be a participant in the CPEC, which could eventually be linked to its North-South Transportation Corridor initiative.

In the fifth chapter titled ‘*Understanding Westward Policy of China and Eastward Policy of India*’, Professor Guomin avers that the increasing overlap in the strategic influence of China and India is understandable, given that their comprehensive power is rising rapidly. While China seeks to extend its westward reach to foster good relations with all countries, India is also making efforts to strengthen its diplomatic and economic interfaces with various East Asian countries. Therefore, China would welcome India’s “Act East” policy, but only till the point it is restricted to economic engagements with other Asian countries, and produces positive outcomes for China. On the other hand, if India seeks to alter its ‘benign’ security policies vis-à-vis East Asia in a substantive manner, China will need to respond appropriately.

In the sixth chapter of the same session titled ‘*Look East to Act East: India’s Policy Shift or Old Wine*’, Commander Dinesh Yadav of the NMF seeks to address the query whether India’s ‘Act East’ policy is merely a ‘branding exercise’ or a signal of India’s wiliness to play a more active and substantive role in the region. He tracks the progression of India’s policy transition from ‘Look East’ to ‘Act East’, and avers that the latter is a logical extension of the former. While ‘Look East’ of the

early 1990s was primarily aimed at opening up India's economy and seek closer economic engagements with Southeast Asia, such economic-centric approach has now extended to one of developing strategic partnerships, and is a recognition of contemporary geopolitical realities and India's eminent stature in such context.

In Chapter Seven titled '*India and the South China Sea Dispute*', Ms. Premesha Saha of the NMF examines India's stand on the South China Sea disputes, based on a three pillared foreign policy. Firstly, India takes no preferential stand on the competing maritime and sovereignty claims in the area. Second, India's policy is premised on an unimpeded right of navigational passage, uninterrupted sea-borne commerce and access to resources in accordance with principles of international law, including those enshrined in the 1982 UN Convention on the Law of the Sea (UNCLOS). Third, Indian stance emphasizes respect for universally accepted norms of international behavior pertaining to the peaceful resolution of disputes. She avers that China's position on the concept of freedom of navigation and conduct of military activities in the Exclusive Economic Zone (EEZ) – as articulated through its official declarations and national legislation – are broadly similar to that of India.

In Chapter Eight titled '*Role of Major Powers in the Indo-Pacific Region*' Dr. Jabin Jacob of India's Institute for Chinese Studies (ICS) argues that the 'Indo-Pacific' framework may be more apt to address issues like economics and trade, climate change, theft of intellectual property, currency manipulation, cyber security, among others. However, from a traditional security perspective, he finds the new nomenclature to be rather "contrived" (sic) because it is only truly the United States that links the two geographies in terms of credible security capacity. Nevertheless, given the various maritime disputes involving China and its neighbours, the nuclear crisis on the Korean Peninsula and the incipient great power competition between China and the United States, he finds the East Asian half of the Indo-Pacific

to be a more critical region from a maritime security perspective. In this context, he analyses the role of three major East Asian powers – Japan, Russia and the United States – and their interactions with China, as a way of understanding evolving dynamics in the Indo-Pacific region.

In Chapter Nine titled '*Chinese Anti-Piracy Operations in the Indian Ocean and its Implications*', Professor Xu Ke of Xiamen University examines China's presence in the Indian Ocean, with a focus on the PLA Navy's anti-piracy operations in the Gulf of Aden. He says that China's naval presence in the Indian Ocean began as an anti-piracy 'escort mission'. While it later changed to a 'presence mission', Beijing's overarching aim for continued Chinese military presence in the area has remained the projection of China's role as a responsible global actor. He supports this assertion by reminding the readers that China has to contend with more serious and pressing maritime security challenges in the western Pacific, posed by the United States and other potential adversaries.

In Chapter Ten titled '*Chinese Military Presence in the Indian Ocean*', Dr. Ouyang Guoxing of the HNIWW argues that PLA Navy's growing military 'footprint' in the IOR may be better viewed as mandated by history, rather than as a paradigm shift in China's traditional security strategy. Notwithstanding, based on trends, he avers that China is unlikely to compete against the key stakeholders in the IOR like the United States, India, Iran and Australia for influence and hard power. In this context, it is interesting to note that in Chapter Six, Commander Dinesh Yadav of NMF also makes references to history – the *Chola* Empire – to substantiate India's possible role eastwards to encompass the broader 'Indo-Pacific' region.

In Chapter Eleven titled '*India and China: Maritime Cooperation in the Indo-Pacific Region*' Captain (Dr) Gurpreet Khurana of the NMF foresees that India-China 'maritime-interface' will strengthen in the coming decades. He attempts to identify specific maritime

convergences and complementarities between India and China in the broad domains of economics, security and geopolitics. He argues that the resolution of the land border dispute and tempering of China's strategic ties with India's immediate neighbours would be essential prerequisites, not only for trust building, but also to realize the full potential of India-China maritime cooperation.

Taken together, this India-China joint compilation reveals a conspicuous contrast between the Chinese and Indian scholarly views, particularly with regard to the 'Indo-Pacific' construct and its dynamics. On the one hand, Chinese scholars are circumspect about the evolving multilateral military cooperation mechanisms in the Indo-Pacific region involving the United States, India, Japan and Australia, which they perceive as being directed against China. On the other hand, Indian scholars argue that New Delhi's strategic role in the 'Indo-Pacific' is likely to be limited, and confined to the IOR, where its critical interests lie; and wherein, Beijing needs to be cognizant of these interests.

In sum, the value of the deliberations at the second NMF-AWW dialogue emerged from the wide array of perceptions and ideas, encompassing more of divergent strands, and lesser of convergent thoughts. The key takeaway was amply clear – towards the aim of realizing the vision of their apex leadership, New Delhi and Beijing would need to traverse a 'long road' ahead, and negotiate sizable 'boulders' enroute.

**Gurpreet S Khurana
Antara Ghosal Singh**

*Strategic Scenario
in the Indo-Pacific*

Chapter 1

Strategic Scenario in the Indo-Pacific Region: A Chinese Perspective

Sun Yang

In recent years, “Indo-Pacific” has become a concept of strategy rather than of geography. It indicates that the Indian and Pacific Oceans constitute an inter-linked geopolitical space, not only because it is important to “global trade and commerce” but also because it has immense strategic implications. It is widely believed in the Chinese strategic and academic circles that the extensive use of “Indo-Pacific” comes from Obama government’s strategy of Asian rebalance, which is aimed at strengthening America’s political and military relations with countries in the Indo-Pacific region, such as India, Australia, etc., enhancing its military existence in the region and building a regional order in which, the United States’ leadership position is maintained. After all, the center of gravity of global economy and politics is shifting towards the Indo-Pacific region with the growing importance of the Indian Ocean to the world, and the rising significance of India in the U.S. policymaking.

During a speech at Honolulu in October 2010, Secretary of State Hillary Clinton used the phrase “Indo-Pacific” to describe a newly emerged and integrated theatre. She narrated how the United States was “expanding our (its) work with the Indian Navy in the Pacific because we (it) understand(s) how important the Indo-Pacific basin is to global trade and commerce.” Motivated by this, India, along with Australia, Japan and other Indo-Pacific countries began to use the term “Indo-Pacific” strategically, demonstrating their coming closer towards

the United States. In the beginning of 2013, India's Prime Minister quoted "Indo-Pacific" while defining India's relations with Japan and ASEAN. Almost at the same time, Japan's premier Shinzo Abe used "Indo-Pacific" to emphasize its interests in both the Indian and the Pacific oceans. Since then, important members of other governments in countries ranging from Australia to Indonesia have made similar public statements.

Viewed from Beijing, the current strategic scenario in the Indo-Pacific appears to be like America, India, Japan and Australia - all conducting various forms of maritime cooperation with each other with the ultimate aim of containing China. As a result of this, the space for China's maritime development has been squeezed constantly. However, India has been selective in its acquiescence to the United States. Along with deepening maritime cooperation between India and China, the power structure in this region is becoming multi-polarised, and even more complicated. The salient feature of the existing power structure is as follows:

The U.S. Promotes its Navy, Deploys Air Force and Deepens Alliance

First of all, billions of dollars have been spent on adjusting and upgrading military bases in the Indo-Pacific region, especially on Guam (关岛) and Diego Garcia (迪戈加西亚). Major troops have been deployed from Northeast Asia to the confluence of Pacific Ocean and Indian oceans, highlighting innovative agreements for access to military bases, and rotational troop deployments. Australia is considered as the best point for military deployment in the Indian Ocean. It allows the United States to rapidly deploy troops between the two oceans without passing through Malacca Straits, and thus avoiding any Chinese military threat. Therefore, Australia occupies a strategic position in the American Indo-Pacific blueprint. Both the United States and Australia have reached agreements enabling the U.S. military to rotate its troops and fighters at all times, and to preset other related military assets in Australia as they like. The first batch of 200 U.S. marines arrived at Darwin

base in April 2012. About 2,500 more U.S. marines will arrive in the Australian air and naval bases by 2016-17. It would potentially provide the stationing of assets outside areas most vulnerable to Chinese anti-access measures, thwart the creation of a successful second-island chain anti-access capability, and provide a sizable number of highly trained personnel in times of crisis.

Secondly, efforts have been made by the United States to enhance the traditional alliance with Japan, Korea and Australia, and build a brand new semi-alliance with India, Myanmar, Indonesia and Vietnam which are all adjacent to China. “*A Cooperative Strategy for 21ST Century Seapower*” was issued by U.S. Navy in 2015. It emphasized that it is advantageous for the United States to make numerous friends and allies in the Indo-Pacific region. It also showed that the United States aimed to strengthen relationship with not just long-term allies like Australia, Japan, Korea and other countries, but would also continue to develop partnerships with non-allies like India, Indonesia and other countries. *The Quadrennial Defense Review* issued by the United States in 2014 said that the U.S. was handling the regional challenges by cooperating with its partners and allies, and was enhancing the capacity of missile defense, maritime security, network security and disaster relief. There are three ways how the United States is deepening its alliance system. First of all, it is enhancing joint military exercises so as to improve the military capacity of its allies for effective cooperation. Second, it is supporting the development of their maritime power.¹ The United States intends to give military assistance and support to its allies and partners through the implementation of IMET, FMS, FMF and 1206 articles. Third, it is selling military equipment or transferring military technology. In order to quicken the transfer of defence hardware and enhance naval combat capability and coordination, the United States has reformed the export management system to quickly sell or transfer major hardware and technology supplies to its allies.²

Japan Broke the Pacifist Constitution

After the end of the Cold War, the Japanese government has tried hard for facilitate a more pro-active overseas role for its self-defense forces,

through passing laws internally, such as “*The act of the United Nations peacekeeping cooperation*” 《联合国维持和平行动合作法》 “*Anti-Terrorism Special Measures Law*” 《反恐特别措施法》、 “*Special Law on support for the Construction of Iraq*” 《伊拉克重建支援特别措施法》。

In September 2015, Japan even passed a new Security Bill, lifting the ban on its right to collective self-defense. Japan can now use its military force whenever it feels insecure, which represents a change of the nature of Self-Defense Force. Breaking away from its pacifist Constitution, Japan’s maritime-military capability has been enhanced manifold through several cooperative and collaborative measures that it has undertaken with other countries, thereby developing itself as one of the important pillars in the Indo-Pacific strategy of these countries.

The core of Japan’s international strategy towards maritime issues was to ally with the United States. However, at the same time, Japan sought to form an alliance of ocean partners with common value system in the Indo-Pacific region, so as to extend its international influence from the West Pacific to a much wider Indo-Pacific region. Therefore, Japanese Prime Minister Abe proposed the idea of “Asia’s Democratic Security Diamond”, where Australia, India, Japan and the United States “jointly defend high seas from the Indian Ocean to the Western Pacific Ocean”. Japan has also actively organised the Pan Ocean National Union and the Democratic National Alliance, using value-based diplomacy to win over India, Australia, South Korea, Southeast Asian countries and the Pacific island countries, so as to impinge upon China’s maritime sovereignty rights and interests. Now, value-based diplomacy has become an important way for Japan to implement the strategic idea of “being an ocean country from an island country”. At the beginning of 2013, Abe had issued ‘Five Principles of ASEAN Diplomacy’ during his visits to individual countries of the ASEAN. It pointed out that Japan and the ASEAN countries would jointly create freedom, democracy, basic human rights and other universal values. As for the maritime security technology and equipment, Japan offered unprecedented support to the development of maritime military power

of “the new emerging marine countries” in the South Pacific and the Indian Ocean. Japan also became actively involved in maritime-territorial disputes in the Indo-Pacific region, and regarded itself as the defender that leads the order of “rule of law” and Indo-Pacific freedom of navigation.

India’s Acting East

India’s Acting East policy involves an increasing investment of resources into developing capabilities for its maritime power projection towards the east, which has, at least to some extent, been bolstered by the development of China’s sea-power. It was hardly surprising that India has taken note of China hardening stance in the foreign policy domain, while dealing with the Diaoyu islands and South China Sea conflicts. China is also vigorously building a powerful offshore navy, and increasing its presence in the Indian Ocean, which shapes India’s perceptions.

India’s Look East discourse in the maritime domain mostly focuses on its naval modernization and upgradation of its ability for offshore operations. On one hand, a 50 per cent rise in India’s foreign trade through South China Sea has reopened the assertion that the international shipping lanes should be safe. On the other hand, the most India can do is to upgrade the infrastructure development of its naval base in Andaman and Nicobar Islands, and simultaneously promote cooperative exploitation of oil and gas resources with Vietnam in the Sino-Vietnam disputed sea area; reinforce military cooperation with Southeast Asian countries, and push forward a trilateral security collaboration with the U.S. and Japan.

Interestingly, India’s Act East has explicit and significant implications of the growing strategic convergence with the United States for the regulation of the emerging order with respect to the region. During President Obama’s last visit to India in January 2015, “*The joint strategic vision statement for the Asia-Pacific and Indian Ocean Region*” released by the two governments remarked that the U.S. and

India should work together, accelerate infrastructure development and interconnection through South Asia, Southeast Asia and Central Asia, and ensure maritime security and freedom of navigation and overflight in the whole region, especially in the South China Sea. On the East Asia Summit in November 2014, Modi stated that India and the ASEAN share the commitment to freedom of navigation at sea. He further added that for peace and stability in the South China Sea, everyone should follow international norms and law and by implementing the Guidelines to the 2002 Declaration on Conduct (DOC), the Code of Conduct (COC) on South China Sea can be concluded soon on the basis of consensus.

Gradual Formation of the Trilateral Cooperative Network in Indo-Pacific Region

By far, the main multilateral military cooperation mechanism in the Indo-Pacific region include the United States, India and Australia trilateral cooperation, the United States, India and Japan trilateral cooperation, and the United States, Japan and Australia trilateral coordination. The United States hopes to build multi-level and small trilateral military cooperation mechanism to deal with security threats and challenges more flexibly in different regions of Indo-Pacific region, and strengthens the military cooperation and coordination capacity among United States, its allies and partners, so as to improve their capacity of defense and ability of dealing with threats collectively, and also to maintain its own military and political influence in the Indo-Pacific region. In 2011, India, Japan and the United States established the Trilateral Strategic Dialogue Partnership. The dialogue was mainly concerned with ensuring the power balance of the Asia-Pacific region, and maritime security in Indo-Pacific region. Gradually, the trilateral maritime arrangement became more and more institutionalized. During the visit to India in March 2015, the Commander of the U.S. Pacific Fleet proposed that the annual Malabar exercise should be upgraded into a multilateral military exercise, making Japan a regular participant as well. The heads of the United States, Japan and Australia attended the trilateral talks for the first time in 2007; and in 2014,

the talks were held again, declaring the importance of strengthening trilateral security cooperation as well as reaffirming the importance of its comprehensive intervention in the Asia-Pacific Region. They were convinced that their cooperative relationship built on shared interests and common value would last, alike their persistent commitment to democracy, open economy, law-based governance and peaceful settlement of disputes. Eventually, India, Japan and Australia also formed a trilateral mechanism amongst them. When India's foreign secretary Dr. S Jaishankar met the foreign ministers of Australia and Japan in July 2015, they reached a new trilateral agreement, aiming to strengthen and institutionalizing their security cooperation arrangement. These three trilateral mechanisms, India, Japan and Australia trilateral mechanism, the U.S., Japan and Australia trilateral mechanism, the U.S., Japan and India trilateral mechanism, are likely to become the constituents of the four-party democracy framework in the Indo-Pacific region. Such a potential quadrilateral partnership was conceptualized as early as end-2004, when the maritime forces of these four nations undertook coordinated Tsunami operations. In September 2007, the four navies had undertaken a large-scale combined naval exercise in the Bay of Bengal, leading China to conclude that these four countries in Asia might join together to fight against China. China then hurriedly made new policies to counter India and Australia, which successfully decelerated the momentum of the joint drill for a limited period. Finally, the four nations realized that it was not a wise decision to provoke China. However, not very long after that, India and Australia have once again showed interest to revive the earlier mechanism, as against signs of regional instability caused by China's growing assertiveness.

Strategic Choice of China

In the current Indo-Pacific strategic architecture, there is actually a structural contradiction in the relationship between China and the United States. China's reasonable and requisite development is irreconcilable with America's strong aspiration to maintain its leveraged advantages and superiority, leading to profound and complex situations. The same is true for China-Japan relations.

Obviously, China is at a disadvantage in this changing Indo-Pacific environment. The Indo-Pacific strategy of America, Japan and other countries; as well as the increasing security cooperation among them has, more or less, originated taking into account 'containment of China'. On one hand, China's strategic space in the Indo-Pacific region is squeezed constantly. Whatever China does in the West Pacific Ocean is monitored by the United States. India, like any other country which takes decisions suited to its national interest, is increasingly conforming to the U.S. interests, and is harshly against the military presence of China in the Indian Ocean. On the other hand, in view of the complexity of maritime disputes, things could become more complicated and difficult for China. The United States will continue to invest more diplomatic efforts and military resources in the West Pacific region, which will lead to acceleration of maritime competition in this region. The U.S.' criticism on China's "confidence" and "assertiveness" has found mention in the political documents and governmental speeches. Hence, public perception in China has been deeply impacted by the U.S. intervention in the South China Sea issues, with no respect for China's sovereignty.

With regard to China, cooperating with India appears to be the only way to change the situation and make a breakthrough. Since its founding, India's status and its own foreign strategy would never allow it to become a firm follower of the United States. Moreover, China has played a significant and irreplaceable role in promoting common development and facilitating international cooperation with Indian Ocean littoral states, and India knows that it is not able to prevent China's naval presence in IOR. Hence, under the current circumstances, there are much more room for China and India to further harness their advantages and take effective measures to build maritime strategic mutual trust, and to play consistently a central role in construct of a more balanced Indo-Pacific strategy structure.

In the realm of Sino-Indian maritime security cooperation, the bilateral maritime affairs dialogue is worthy of attention. India and China have already referred to maritime issues while holding boundary

problem special representatives meetings and Strategic and Economics Dialogue. The exclusive cooperative mechanism on maritime issues – Maritime Affairs Dialogue - is still at a nascent stage. The first Dialogue was held in New Delhi in February 2016. Fundamentally, China and India lacks maritime mutual trust and their relations are susceptible to instability due to the pending boundary issue. Fragmentary cooperation and activities, without a long term strategic planning are far from enough in terms of maritime cooperation. China supports necessary and reasonable reforms on maritime issue cooperative mechanism for development of the bilateral strategic relation, and to cope with new threats and challenges.

But at the same time, we should realize that substantial Sino-India maritime cooperation within the framework of bilateral dialogue mechanism may take time. Mutual trust on maritime issues is cultivated by constant governmental dialogues and mutual cooperation. From an analyst's perspective, the whole process of raising the level of mutual cooperation may need at least ten to fifteen years. Therefore, in the medium-short term, containment is the main character of the Sino-India maritime relationship, and there is no substantive change in the ground situation so far. Prime Minister Modi, after assuming office, announced further closer cooperation with the United States, Japan and Australia and other countries for enhancing its antisubmarine capability against the Chinese Navy. At the same time, India has strengthened cooperation with other Indian Ocean littoral countries, especially to reinforce its leading role in surveillance efforts in the Indian Ocean. In this regard, the trilateral framework on maritime security cooperation as envisaged between Maldives, Sri Lanka and India is an important development.

Notes and References

- 1 'Quadrennial Defense Review 2014', *Department of Defense*, March 04, 2014, p. 17.
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Chapter 2

Strategic Scenario in the Indo-Pacific Region: An Indian Perspective

Swaran Singh

Viewing the larger canvass from the perspective of analysing the evolving strategic scenario, the world is clearly moving rapidly to a 'new age' where human activities and interactions are irreversibly drifting from the conventional territorial focus to offshore, to open oceans, to outer space, and to the virtual space. Humans are becoming increasingly dependent on the maritime domain for ever expanding international trade and travel, for exploration of resources like fisheries, minerals, gas and oil as also for exploring the frontiers of human knowledge about human universe and beyond. Conversely, this interface with oceans is also making humans increasingly aware of the new challenges; of their being vulnerable to ocean-based threats of environment degradation, oil spills, maritime terrorism and piracy and its long term impact on marine life and human ecosystem. Freedom of navigation, development of the littorals and security of international shipping lanes are becoming critical issues for international relations discourses.

These transformations also mean that the world is getting increasingly connected and there are hardly any challenges that nation-states can address by themselves and within the confines of their territorial boundaries. With advancements in science and technologies, this period has witnessed a sharp 'shrink' in both space and time, which has transformed our imagining of geographies as also catapulted newer

metaphors for our analysis and narratives. Geography, some experts say, is becoming history just the way Francis Fukuyama talks of final victory of democracy and free market resulting in end of history. There is no denying that never before has human mind processed and addressed so much of real-time information, which increasingly determines both activities and productivity in human life and how these contribute to peace and prosperity. This is what makes the world take a fresh look at geographies and revisit our conventional maritime frames and conceptions, and propose new paradigms. Global choke-points, for example, are drifting from once being seen as barriers to becoming not just buffers, but being increasingly seen as bridges connecting oceans.

China's Rise and Evolving Discourse on Indo-Pacific

In the domain of international relations, the unprecedented rise of China for last three decades clearly marks a system shaping the reality of our times. China's economic rise is viewed as a noble challenge for most powers seeking status quo in the international system. But the dilemma is that China today is also the largest trading partner for most of these countries, especially in the Asia-Pacific region, which is gradually giving way to the new formulation of

Indo-Pacific region. China is clearly the new influential actor with system-shaping powers and its repercussions at the regional level are already palpable and substantive enough to deserve academic scrutiny on its implications. Also, unlike conventional great powers, China has used 'prosperity' instead of 'security' as its instrument for increasing its global reach and acceptability. With China's growing self-assurance with regard to its control on the South China Sea, for example, China's conventional 'Malacca dilemma' is being increasingly viewed as bridge connecting China to both the Indian Ocean and the Pacific Ocean. This makes China perhaps the most important catalyst in heralding newer visions regarding the Indo-Pacific becoming the newer frame of reference. Thus amongst other triggers, China's rise across Asia-Pacific marks the critical backdrop of the Indo-Pacific discourses – both as a new concept as also as new geopolitical framework for analysis – that

seeks to redefine this entire maritime space from East Africa to the West Coast of America as a singular and connected region.

There is no denying that the increasing influence and power of other major players has also contributed to these transformations that have triggered Indo-Pacific debates. Australia clearly, along with the United States, has been spearheading these debates partly because Indo-Pacific geopolitical framework makes Australia the centre of new geographical imaginations on planet earth. Just like the British created time-zones with Greenwich at its centre, these geographical imaginations of Indo-Pacific have their own promise of bringing power and influence to the Aussies. Accordingly, other than the Sydney-based Lowy Institute playing a major role, the Adelaide University has set up a dedicated Indo-Pacific Governance Research Centre (IPGRC). Similarly, Australia's Defence White Paper of 2013 also formally recognizes the term 'Indo-Pacific', which is now part of its official text. Others stakeholders like Indonesia have also shown sporadic enthusiasm about it. This is equally true of India too as the term Indo-Pacific includes India's name in it and this sounds like music to most Indian ears and lure New Delhi for engaging and internalising this new term. But are there any other substantive reasons for New Delhi to engage in discourses on the Indo-Pacific? Does India's engagements in these discourses promise any agenda-setting potential for New Delhi?

By most projections on future scenarios with regards to the evolution of international relations in this century, most experts believe that along with the United States and China, these coming decades will see India emerge as the third major most important power to reckon with. This raises not just expectations, but will also bring added responsibilities on India as to how it shoulders new engagements in global affairs including say in the Indo-Pacific debates as also potential initiatives that may flow from these discourses. Being the third in the top triangle for global governance, India must potentially calibrate its policies carefully towards not just the U.S. and China but also with countries like Australia, ASEAN, Japan that could be seen as second

tier major powers in this evolving new region of the Indo-Pacific. Then there are third-tier powers for this region like European Union, Russia and Indonesia, which straddles much of the Indo-Pacific from Andaman Sea to Western Australian waters and sees itself at the centre of the Indo-Pacific geopolitics. ASEAN together may be facing a gradual erosion of its prestige, and major powers like China and the U.S. may be increasingly stepping on each others' toes rather directly; yet it remains the most agreed platform for regional discourses. ASEAN can also be potentially the most critical forum, especially to address the Chinese assertive policies in the South China Sea, which remains so central to various conceptions of the Indo-Pacific region. One could also include South Africa, which is a major player in Indian Ocean decision-making. South Africa would like to emphasize on the expansive definitions of the Indo-Pacific spanning from East Africa to the Western shores of Americas while India may prefer narrower definitions that talk of Indo-Pacific from eastern Indian coast to the western Pacific. These contestations may create newer fault-lines.

India's Narrative on Indo-Pacific

As of now, however, it is the United States that remains the main security provider for this entire Asia-Pacific or Indo-Pacific region, though it has been lately seeking to co-opt new partnerships for burden sharing for its global responsibilities. The U.S. has also been positively inclined towards India and seen encouraging New Delhi to play a leading role in the region. It has been trying to urge India to get into these new Indo-Pacific discourses and the U.S. already describes India as 'net security provider' for the region. It is, however, important to remember that it is only about a decade-and-a-half period that has seen India developing closer relations with the U.S., compared to the long history of mutual acrimony and skepticism. Even as late as in June 2000 – after India had tested nuclear weapons during May 1998, followed by Kargil War of June 1999 – the then President Bill Clinton had visited Beijing and signed a Joint Statement alluding to their jointly managing nuclear competition in South Asia, which had raised

alarms in New Delhi. Even today, the US does not fully appreciate and share India's anxieties with regard to China's rise and its role in India's immediate periphery. This is understandable as the U.S. has a global focus and also shares a very complex relationship with China. This partly explains why India's engagement with Indo-Pacific discourses remains at the level of civil society consisting of print media, academics and few retired officials and why official India continues to be reticent and cautious about engaging in Indo-Pacific debates. Even the much celebrated January 27, 2015 New Delhi Joint Vision Statement by Prime Minister Modi and Obama mentions "Indian Ocean and the Asia-Pacific", and does not talk of the 'Indo-Pacific'.

This, however, does not mean that India has completely discarded the Indo-Pacific discourses. Surely, there has been substantive and visible evolution in India's response to the Indo-Pacific discourses. India's launching of its Act East Policy in year 2014 has been a major initiative in this direction, and is integral to it. One could include upgradation of the US-Japan-India trilogue to the level of their Foreign Ministers in September 2015 as India's forward movement in that direction. At this stage however, official India seems cautious, and seeks to focus primarily on expanding India's bilateral relationships with regional players that include its relationships with various ASEAN member states as also with countries like Australia, South Korea, Vietnam, and so on. India's bilateral relations with most of these regional powers have seen a visible shift from being purely economic and diplomatic to increasingly focusing on strategic and defence cooperation. In that direction, India's recent initiatives with South Korea, Japan, Vietnam and Cambodia have received visible attention in the region. Commentators often describe this shift in India's engagements with major regional powers in the Asia-Pacific as response to the U.S. 'pivot' to Asia. No doubt, India's proactive Act East policy has been encouraged and facilitated by the U.S. Beginning with the US Secretary of State Condoleezza Rice's commentaries to prop India as a major power and a responsible power to Secretary of State Hillary Clinton's 2011 speech in Hyderabad urging India to not only 'Look' but also 'Act' East, there are several examples

of the U.S. indulgence seeking to lure India into playing a greater role the Indo-Pacific region. Also, the fact that India has evolved closer relations with the U.S. has surely created atmospherics for U.S.' regional friends and allies to positively engage India. But this gradual drift in India's engaging with the Asia-Pacific is surely co-related to India's independent assessments about China's military modernization, and its assertive posturing in the South China Sea. India has been especially concerned with China's increasing interest and visibility in the Indian Ocean region, especially amongst India's immediate neighbours. So India's scenario building has both these positive and negative elements influencing its policies vis-à-vis the emerging Indo-Pacific geopolitics.

India's assessments may also have something to do with an increasing self-confidence that flows from its improving growth rates; and in face of a proactive prime minister, who has made foreign policy his preferred domain, resulting in India's greater visibility across the world. Nevertheless, India fully understands that it is China that clearly remains the most influential new actor in the region; not just as largest trading partner for most countries in the Asia-Pacific region but also increasingly as new investor and new donor with very different formulations on both its aid grants and investments. Now the 'One Belt, One Road' (OBOR) initiative of President Xi Jinping – like the Marshall Plan of the U.S. after World War II – seeks to build infrastructure across Asia to connect Asian and European economies, and is inspired by the ancient Silk Road framework that had thrived till the Industrial Revolution of 19th century produced steam ships and colonialism making Europe, and later North Atlantic, the centre of global affairs. This OBOR vision has the backing of Chinese promise to invest up to US \$ 500 billion and some of its initiatives like New Development Bank (NDB) and its Asian Infrastructure Investment Bank (AIIB) have already brought great global endorsements alluding to increasing support for this vision of OBOR. Even amongst several of the U.S. friends and allies, the response to these initiatives has been far more positive than was initially expected by most experts. OBOR vision seems also driven internally, by the fact that China's domestic

investments have saturated and Beijing is now looking for investing in relatively less developed periphery for higher per-dollar returns. This is important to stabilize China's decelerating growth rates, which have a direct co-relation with China's internal social stability and regime security for China's leaders. All these factors promise to bring success to China's reconstruction project for Asia and to connect it to Europe. Both Asia and Europe today need each other for their economic growth.

So such assessment by India imply that New Delhi has to maintain fine balance between China which is increasingly seen as 'development' provider for most nations, and the U.S. that has been the main security provider for this region. The task of maintaining this balance for India becomes particularly perilous given repeated episodes of China getting in direct interface with the U.S., especially lately on issues of the South China Sea. Indeed, there is much more to it. China is seen as increasingly focusing on military modernisation and building artificial islands across the South China Sea to ensure its influence on oceans and security for its continued economic expansion. The U.S. on the other hand is looking for new friends and allies for burden-sharing in its role as security provider. The U.S. is also trying to build transnational economic networks like the Trans-Pacific Partnership (TPP) which is becoming a parallel to the China-led negotiations for the Regional Comprehensive Economic Partnership (RCEP) initiative. The fact that China and India are not part of TPP, and that as China leads negotiations for RCEP, India has been fully engaged in it, provides an interesting scenario where the U.S. – the leading security provider – is now dabbling in creating an economic network and China – the leading development provider – is focusing on building its military muscle. Experts in China are exhorting Beijing to take the next step of building military bases and military alliances like the U.S.¹ The most recent indicator was China's leasing a naval base in Djibouti in February 2016 where it plans to place its forces, as also provide frigates and other defence equipment to other neighbouring countries in north Africa. This may be triggered by increasing threats to Chinese nationals

involved in China's infrastructure development projects in Africa and other regional of the world. But will this creates a scenario of possible confrontation? To the least, these emerging scenarios can definitely lead to overreactions from both sides, as has been seen in case of U.S.-China interface in the South China Sea where American naval vessels have been asserting freedom of navigation by sailing closer to China's artificial islands, within what China claims to be its territorial seas. The U.S. also keeps reviving its proposals for joint patrolling by ships of US, Japan, Australia and India. How should India respond to these?

Multiple Shades of Cs: Co-existence, Coordination, Cooperation, Competition

It is interesting to note that China and U.S. have also been involved in cooperative relationships like one the world saw in their mutual coordination during climate change negotiations and related goals that were adopted at the December 2015 Paris Conference. This means that future scenarios in the Indo-Pacific will involve multiple shades of Cs like co-existence, coordination, cooperation, competition as well as sporadic low-level confrontation. Countries like India will have to learn to be agile to respond to these changing mood swings and calibrate their policy positions and priorities in different channels and for different sectors. Experts have tried to broadly categorize these possible scenarios that could guide India's policy postures. Amongst other scholars, Dr. Lawrence Prabhakar², for instance, draws a list of broadly six possible scenarios in the Indo-Pacific. To briefly recount, these include the following. The First, he sees, as a new conceptual 'construct' which will transform the identities and roles of all major stakeholders in the Indo-Pacific region. The Second is opposite of the first i.e. conventional realist balance of power driven policies, which will see major players confront, hedge or bandwagon to ensure balance. Third is the one of the power-shift from West to East or from North Atlantic to Asia-Pacific leading to paradigm shift which brings advantage to China as new player in the great game in this emerging Indo-Pacific framework. The Fourth scenario involves these players focusing on strategic autonomy choices while making tactical compromises. This

will have to be calibrated in the face of continued gradual erosion of ASEAN leading to closer interface of major powers getting on each others' toes. This will see nationalism becoming a critical element in major stakeholders' power posturing. The Fifth scenario, he sees, is one of concert of democracies though scholars like J. Mohan Malik do not favour this as it will trigger confrontation with China, which is not seen as a democracy and has often reacted to such formulations as anti-China initiatives. Finally, he talks of regionalism and regionalisation as processes of transformation. This involving about 70 per cent of human population will be also closely linked to issue of global commons like sea lanes and ocean based resources like fisheries, minerals, gas and oil etc. It may see future scenarios of the Indo-Pacific throwing up newer metaphors that will both define and describe international relations and regional equations as also what are important goals that these nations may seek to pursue. These may also finally take us away from our obsessions with territoriality and territorial sovereignty.

As regards China, it has already been talking of harmonious world, spiritual civilisation and building close economic relations with every major adversaries. The OBOR proposal also seems to capture that space and time shrink and present a real 'global' vision for shared security through shared development model. Similarly, India has also been talking of multi-alignments, which goes back to Chanakya's Mandala theory. For example, when India is engaging the U.S. and its friends and allies in security networks and for its defence procurement, it is also engaging China in its economic networks like RCEP, NDB and AIIB. Incidentally, India is not engaging with the U.S.-led TPP, which makes it interesting. Such nuanced formulations in operationalisation of foreign relations by civilisational nation-states like China and India allude to their being very likely candidates to produce rather noble strategies for engaging with the Indo-Pacific discourses. Both China and India are not likely to just follow the dominant Anglo-Saxon paradigms of bandwagoning or confrontation binaries. But, at the same time, it is also incumbent on both China and India as also on other stakeholders of the Indo-Pacific to begin to appreciate these nuanced formulations

and metaphors of China and India that perhaps convey their deep rooted thinking and preferences in their subtle engagement with the Indo-Pacific geopolitical frames of reference. Such an understanding will help major players to appreciate their foreign policy initiatives which are guided by some of their long-held beliefs and traditions and the commutative wisdom of their societies.

For instance, until about two decades ago, soft power was not part of discourses; and terrorism was not an issue about three or four decades ago. These are now the dominant themes in international relations discourses and initiatives. Perhaps, visions like Indo-Pacific formulations have the potential to become the dominant geopolitical frame of reference in coming times. If that be true then visions like the OBOR or Project *Mausum* remain clearly located in this evolving 'new age' perspectives, and space and time shrink where limited territoriality of the nation-state may no longer remain as sacrosanct a frame of reference as it has been since the times of 1648 Treaty of Westphalia. On the flip side, these are scenarios which are still over-the-horizon, and only their very broad contours can be assessed and analysed at this juncture. These, therefore, can only be rather vague as basis of foreign policy, though transformations are sufficient to call for an academic scrutiny. Similarly, all major development and security threats and challenges (e.g. climate change, terrorism, piracy, migrations, pandemics) are no longer restricted to national boundaries and it is forcing nation-states to look for regional and global frames for addressing these. The universe of international relations is expanding and becoming global by going beyond nation-state actors. This is also witnessing an increasing convergence of nation-states, which include both China and India. As their interface gradually drifts from being preoccupied with bilateral to frequent meetings in multilateral forums, recent decades have seen growing mutual understanding and pragmatism bringing stability and expanding their mutual cooperation. Both China and India have to address and resolve their security and development challenges in this global framework where new frameworks of analysis like the Indo-Pacific clearly allude to their being likely to determine not just future

discourses in international relations, but also increasing number of cooperative initiatives.

Conclusion

In the end, Indo-Pacific as a framework is not expected to solve all problems. At best it will provide the new framework that perhaps better explains the evolving new reality as it unfolds itself, and promise to enable major powers to evolve their equations that can ensure peace and security in their region. The emerging powers like China and India may not follow the beaten path, but may find their own way of dealing with major powers, and to find their space without triggering confrontation. This perhaps partly explains their piecemeal and subtle approach to engaging in the Indo-Pacific discourse. But again, being piecemeal must not mean missing the bus altogether. On the flip side, if major stakeholders like China and India fail to appreciate the emerging scenarios, they will do so at their own peril. In the least, they may suffer from disjunctions between ‘what it is’ and ‘how they see it’; and it is they who will be marginalized.

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*China's OBOR Initiative and the
Indian Ocean Region*

Chapter 3

China's 'Belt and Road' Initiative and India's Approach

Antara Ghosal Singh

One Belt and One Road” was initiated by Chinese President Xi Jinping during his visit to Kazakhstan in September and to Indonesia in October 2013. The initiative involves more than 60 countries with 4.4 billion population and combined GDP of more than 21 trillion U.S. dollar.

As officially stated by the Chinese government, the “Belt and Road” aims to connect the Asia-Pacific economic circle with the European economic circle. It aims to form a community of common interest, common responsibility and common destiny through policy coordination, infrastructure connection, uninterrupted trade, monetary circulation and people to people exchange.¹ Chinese policy makers say that the initiative is solely driven by economic cooperation, and not by geopolitics, or an attempt to seek sphere of influence.²

Why has China taken this colossal task of reviving the ancient Silk Road? It is because post 2008 financial crisis, China is striving to shift gears from foreign investment driven and export led growth to more domestic consumption led growth. However the trend is yet to take off. On the other hand, given the overcapacity and growing competition at the domestic market, and given the huge foreign exchange reserve it has gathered, China is increasingly going global. Adjusting to this new normal, China is aiming at a more “scientific/ sustainable/balanced”

pattern of development – under which the focus is put on a more coordinated development of east, central and western part of China and to the reduction of resource and environment costs. The OBOR initiatives fit in well with both China's 'go global' strategy and its focus on a 'balanced development model'.

Furthermore, OBOR is not just symbolic of China's emergence at the global stage as a major country but it is also meant to represent China's distinctive diplomatic approach/legacy marked by Chinese features, Chinese style and Chinese confidence³.

The OBOR initiative so far has met with both successes and non-successes. China-Kazakhstan freight train has recently become operational⁴, there has been some progress in China Russia natural gas pipeline project and China-Laos railway project, China- Thailand railway project among others. China is working with countries like Indonesia, Cambodia, Sri Lanka on port development and operations. It is also establishing and upgrading FTAs with other countries in the region⁵.

However, on the other hand, Chinese investments have run into trouble in certain partner countries like Sri Lanka, Greece, and earlier in Myanmar and Mexico. Interestingly, a section within the Chinese scholarly circle has been rather vocal about China's limited success in the realm of overseas investment⁶. 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." They flag the urgent need for pragmatism⁷ and prior local awareness⁸ in China's overseas investment approaches.

As far as India is concerned, the country has enjoyed important geographic location along the ancient silk roads and spice route and historically been at the center of several of these trade routes

and shared its age-old wisdom with societies along these routes. The interaction between Chinese and Indian civilization through the ancient silk roads has been well documented. Other than goods and merchandise, Indian religions like Buddhism and Hinduism spread beyond Indian borders through these silk roads. Chinese monks like Faxian, Xuanzang and Yijing, made their way to India to seek Buddhist sutras using these silk roads⁹. The fleet of Zheng He, the Chinese side claims, docked along the coast of India six times¹⁰. Such intricate were the exchanges between the Chinese and Indian civilization that it is often said that had it not been for the ancient silk roads, the contemporary Chinese and Indian civilizations would not have been so rich and wholesome, and the history of human kind would have been different as well¹¹.

India with its 1.2 billion population and enormous markets is situated at a unique crossing point of the contemporary Belt and Road project as well, and thus there has been visibly much interest among Chinese leaders to seek India's endorsement of the New Silk Road plan. Although India understands the economic imperative of engaging with China, but given the complexity of China-India relations, India has taken a rather cautious approach toward the Chinese project.

There is one school of thought, which sees much negativity in India's reticence regarding the project, and interprets it as India's ploy to stall the Chinese initiative and maintain its dominant position in the Indian Ocean¹². Some section of Indian media further sensationalises the issue and instigates apprehensions by constantly interpreting every aspect of Indian foreign policy as a countermeasure to Chinese initiatives. For instance, India's reaching out to its immediate or extended neighbourhood through its initiatives like Project Mausam, Cotton Route or Spice Route – are often portrayed as countermeasure to China's effort¹³. Although Indian official version states that India engages in its neighbourhood or other regions on its personal capacity and is not targeted at any third country but this stand is often subsided by media sensationalism.

However, there is yet another school of thought who has not quite missed out on India's incremental but positive approach towards China's One Belt One Road project¹⁴. They argue that Bangladesh, China, India, Myanmar Economic Corridor (BCIM-EC) is also a part of OBOR where India is already on board.

In fact, BCIM is fast evolving as a one of its kind platform where China and India are working together to uplift the underdeveloped region lying between them. After sixteen years of negotiations since 1999, India has now started backing the K2K Forum. (Kunming to Kolkata) Forum. Chinese officials acknowledge that unlike in the past, when India was perceived to be "dragging its feet", India is now showing enthusiasm over the project.

This is an important development, given India's earlier apprehension about opening up India's NER, given the security risk involved. India was not just apprehensive about China's historical role in the region but also feared a possible Chinese economic onslaught on the region's already unstable economy if the project gets operational. Further to that, India's own limited success in regional cooperation forums like SAARC and BIMSTEC further complicated the matter. However, India's doing away with its apprehensions and reaching out to China through the NER is a significant step in itself and marks a change of heart in Indian policy making.¹⁵

Not just BCIM, last year, India became one of the first prospective founding members of Asian Infrastructure Investment Bank and hosted its second chief negotiators' meeting in Mumbai in late January this year. India is the 2nd largest shareholder of the bank with 8.52 per cent stake, 7.5 per cent voting share. It is also cooperating with China on Bricks Bank which is supposed to finance the infrastructure needs in the developing world. All these reflect "positive and cooperative attitude" of India to the "Belt and Road" initiatives¹⁶.

India's cooperative attitude is taking shape in the context of overall betterment of ties with China. Industrial and commercial relations between China and India are picking up, with manufacturing and

infrastructure becoming a highlight of cooperation. There are major plans for cooperation on railways. To offset the mounting trade imbalance, Chinese companies are being encouraged to invest in India. President Xi during his India visit pledged \$20 billion dollar as investment over five years. Accordingly, two Chinese industrial parks in Pune and Vadodara are going on in full swing. Collaboration is happening at the regional level where 8 sister cities and two sister states have been formed between China and India¹⁷. Both sides are strengthening cooperation in various defence related areas, such as anti-terrorism exercises, personnel training, security of major events, combating transnational crime, food security and climate change¹⁸. India has been particularly appreciative of China's support for India's aspirations in UNSC and NSG. China has also welcomed India's desire to strengthen links with APEC and SCO.¹⁹

However, in spite of these positive trends, there continue to remain some key constraints in China-India ties. The lack of clarification of the LAC has resulted in occasional standoff at the border region, even during the Chinese president Xi Jinping's India visit in 2014.

China-India trade which is at \$70 billion dollar has a trade imbalance of 40 billion. While China demands removal of restrictions on India's export of iron ore and agricultural products and a flexible visa policy, India demands more Chinese investment and more avenues for exports and better access to Chinese markets for its products like pharmaceuticals, IT services, tourism, textiles, films and agro-products.

While China opposes India's efforts to construct roads and provide other basic facilities or carry out high level visits along the China-Tibet border in India, especially in Arunachal, India is skeptical about China's involvement in the construction of infrastructure projects in India's neighborhood including in Sri Lanka, Bangladesh, Myanmar; Nepal, Maldives, among others.

Especially in case of 'One Belt One Road' initiative, India has been particularly concerned about China-Pakistan Economic Corridor

(CPEC). Some of the proposed projects under China-Pakistan Economic Corridor (CPEC) are in Pakistan occupied Kashmir (PoK), which India considers to be its own territory illegally occupied by Pakistan, therefore labels it a disputed territory. This is not to imply that India is against economic development of Pakistan. A peaceful prosperous and terrorism free Pakistan will add to the stability of India's neighbourhood and thereby contribute to India's own economic progress, but India is apprehensive if these infrastructure projects will be used by Pakistan to target India in case of a conflict. China's supply of nuclear reactors/submarines to Pakistan adds on to the Indian apprehensions.

Some scholars²⁰ in India even draw a parallel with PoK. In case of this disputed area between India and Pakistan, China seeks to pursue its own commercial or economic interests unilaterally. However, in the disputed areas of the South China Sea, it insists that India should seek Beijing's permission for pursuing its commercial interests.

Other than this, some Indian scholars²¹ are even contesting the idea of Silk Road being a solely Chinese construct which somehow overlooks the historical contribution of people of Central Asia, India and Middle east in the development and success of the ancient silk Road. In the same vein, they see contradiction in the principle and practice of Chinese One Belt One Road initiative. While the vision is of collaboration, they say, it is being unilaterally driven, designed and declared by China.

It is interesting to observe that, in spite of all these reservations and apprehensions, a dominant feeling in Indian strategic/academic circle is to bypass the security narrative and engage more actively with China. Actually, it is believed that India has serious and legitimate concerns vis-à-vis China but disengagement or limited engagement with China has not helped India to redress its grievances so far. So the best possible way out is to reengage with China, and to make the engagement "profitable" for China so that China values its association with India over others in the region and thereby take India's interest more seriously. Given this argument, there is a strong constituency of support in Indian strategic

circle for China's 'One Belt One Road' project.

On the other hand, China's official discourse mentions that OBOR is not a solo but a chorus²². It is not about one party accepting the plan made by another or one party following the rules set by another. It is instead an exercise of looking for common ground and areas of cooperation on the basis of equality, mutual respect and mutual trust. It further says that it attaches importance to India's opinion and advice regarding the "Belt and Road" initiative and is willing to find common ground between the two.

So, as at the end, one can conclude that the respective stand of India and China are mutually complimentary, which is a welcome development in bilateral ties and which opens up further rooms for manoeuvre, and newer avenues for furthering cooperation between the two in days to come.

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Chapter 4

China's OBOR Initiative and Role in the Indian Ocean Region

Mao Jikang

Chinese President Xi Jinping revealed a document, *“The Vision and Action for Promoting and Co-building the Silk Road Economic Belt and 21st Century Maritime Silk Road”*, jointly prepared by National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce, during a speech at the Boao Forum on 28 March 2015 in Hainan, China. Since then, China’s “One Belt and One Road” initiative ushered in a new era. One important route of the “Belt” that links China to the Indian Ocean passes through Southeast Asia and South Asia; and the other important route of MSR that links China’s port facilities with South China Sea passes through the Indian Ocean into Europe. All this shows that Indian Ocean Region is one of the most important pivot areas of the initiative. Chinese government has also maintained sufficient continuity and stability in its policies towards the Indian Ocean region. After the introduction of the initiative, Xi Jinping and Li Keqiang paid visits to the Indian Ocean countries such as India, Pakistan, Sri Lanka and Maldives, to get a good grasp of the pace and focus of the “One Belt One Road” implementation.

“One Belt One Road” Initiative and Chinese Diplomacy

The “One Belt One Road” initiative is the one of diplomatic nature. This pragmatic policy of engagement, of expanding areas of cooperation

with the outside world came along with the adjustment of Chinese diplomatic strategy, aimed at making China's diplomacy more effective, efficient and representative. Embracing the initiative should be the best way to advance our foreign strategy from now on.

Firstly, the "Belt and Road" initiative may be considered as the end of our "hide strength and bide time" principle which we had pursued for a long time; and also as the political and strategic roadmap that China would "strive along ceaselessly and practice more diligently" in the future. With China set to initiate more active interactions with the world, there are many ways to acknowledge China's transition. The policy makers prefer China to be an "active builder" of the international political economic order, rather than being an "obedient user" only.

Secondly, it is also a concerted quest for establishing ties with the West and the East simultaneously to supplement what in the past was largely an East-oriented model. For a long time, China's foreign policy gave greater importance to Japan, Korea and the ASEAN besides great powers than other countries lying in the West and Southwest region. Viewed from the blueprint of "One Belt One Road" initiative, we may conclude that, the new international political economic structure, that China is trying to construct, covers the whole Eurasian continent. China wants to position itself as the Eastern power of Eurasia continent rather than the East Asian power.

Moreover, "One Belt One Road" emphasises more importance of the neighbouring countries in China's foreign policy. China will need more and more support from the surrounding countries to implement the initiative. Most assessments of future "One Belt One Road" trajectory revolve around assumptions of constructing a new type of Eurasian order. Unlike starting all over again, Xi's China proposed a way where a new international political economic order could be spurred, which will also be flexible enough to embrace the old one dominated by the United States. This intricate balancing between the surrounding countries, especially the "leveraging countries", and the big powers such as America and Japan would become the core of

China's diplomatic strategy. China has not yet clarified the concept of "leveraging country", but its interpretation is typically of the one which clearly jettisons bandwagoning with the U.S.; which is closely bound up with China's interests, and which plays an important role regionally, thereby can carry out comprehensive cooperation and interactions with China. For instance, there is ROK in the Northeast Asia, and Indonesia in the Southeast Asia, etc.

"One Belt One Road" and Pan-Indian Ocean Economic Cooperation

To fulfil the initiative and to achieve an Asian-Pacific-European economic integration, economic corridors connecting the two circles should be linked by all means of land, water and air transportations. Indian Ocean littoral states are playing a leading role in boosting sea-land linkage and the construction of "One Belt One Road" initiative. Rejuvenating and invigorating the pan-Indian Ocean region by relying on further cooperation within the "One Belt One Road" framework has not only become the consensus of the Chinese people, but also turned from rhetoric to action.

Firstly, as has been emphasised in the "Vision and Action" document, China-Pakistan economic corridor and BCIM regional economic cooperation process co-exist, while the former one should be built into a flagship and pioneering project in the early phase. The BCIM-EC received heightened attention and importance through a series of communiqués following the visit of the Chinese President to India in September 2014 and visit of Indian Prime Minister to China in May 2015. As is known, deepening cooperation in the BCIM region have encountered problems and challenges, but even then the underlying fact remains that the initiative can bring significant benefits to the four participating countries by linking India with the Pearl River Delta economic circle of China.

As we know, Xi Jinping paid a visit to Pakistan in April 2015 and pledged a \$46 billion investment. He successfully developed and implemented the idea of economic corridor by building multimodal

transport networks, setting up special economic zone, establishing industrial clusters and by developing a diverse range of other economic activities along the corridor connecting the Silk Road Economic Belt to the North, and 21st Century Maritime Silk Road to the South. On 8 April 2015, the China-Pakistan Economic Corridor also received formal endorsement through the first inter-governmental group “China-Pakistan Committee on Economic Corridor” established in Islamabad. With the appropriate institutional mechanism in place, the initiative would now create more opportunities for key stakeholders to come together to deepen cooperation in various areas.

Secondly, enhancing coastal harbour construction and promoting connectivity among ports should be of special interest to the concerned hinterland. From China's experience, modern and internationalised ports will be economically beneficial to cities and countries. China has announced that it will endeavour for internationalisation and modernization of fifteen Chinese ports, will strive for co-remoulding and development of ports in other Indian Ocean coastal countries.¹ China would offer an opportunity to bring together the financing capacity from the European and Mideast countries, raw materials supply from Australia and Brazil, infrastructure strength from China and Korea through “Asian Investment Bank system” for the high investment demand of the Indian Ocean Region.

In this backdrop, China will also work for an international sea order that is peaceful, stable and equitable. While we stand on guard against and strike hard on terrorism in all forms and manifestations, it is essential to remove the root causes that breed the menace. China will open itself still wider to shoulder more responsibilities through the existing multilateral mechanisms, while engaging in dialogues and cooperation with other countries with greater scope and depth.

“One Belt One Road” and the Major Powers Play in Indian Ocean

India's attitude towards “One Belt One Road” is still not clear. The introduction of “Monsoon Project” and “Spice Road” following the

“One Belt One Road” might suggest India’s growing determination to ensure its dominant role in the Indian Ocean area. India believes that “One Belt One Road” will be beneficial for its infrastructure development and economic development. Even then, India worries about China’s strategic intention to strengthen the naval presence in IOR through “One Belt One Road”, with Pakistan and Sri Lanka as pillars. While competing with China in this region, India is offering military assistance, profit sharing, security assurance account as a part of its interacting measures with other Indian Ocean countries, including Sri Lanka, Maldives, Bangladesh, Seychelles and Mauritius.

Besides, the maritime interconnectivity/ cooperation with America or Japan is likely to offer India an avenue to reduce the adverse impacts of “One Belt One Road” initiative. The geopolitics of U.S.-India relations is conducive to negotiate cooperation on transport connectivity and energy connectivity in South Asia, Southeast Asia and Central Asia, which can be seen in the *Joint Strategic Vision Statement about Asia Pacific and Indian Ocean Region* released by the two sides when Obama visited India early last year. When Modi later visited the U.S. in September 2015, the two leaders reiterated the theme of interconnection and cooperation. U.S. stressed that, by pushing forward the “New Silk Road” and “Indo-Pacific Economic Corridor”, the U.S. will be able to help India improve inter-connectivity with its neighbours and even broader areas, which will further help realise the free access of commodities and energy to various markets.² The cooperation between India and Japan is programmed to operate in similar terms, aimed at building an “Asian Economic Corridor”. The transportation network linking India, Bangladesh, Myanmar and Thailand will draw investments from Japan and Japan-backed Asian Development Bank. Japan has strong capital advantage for investing in India, and India perceives Japan and China as the two biggest foreign investors.

Prospect of “One Belt One Road” in South Asia

India is the biggest power in South Asia, and it is located in the centre of South Asia subcontinent. India is adjacent to all other South Asian

countries, while all other countries don't share a common boundary with each other. Thus, India has great influence on rest of South Asian countries, except Pakistan. Therefore, India's cooperation is the key factor to the implementation of OBOR initiative in South Asia. India has not yet made clear whether to join the initiative, but has also not made clear its objection to it.

On the one hand, India sees huge economic interests in OBOR initiative especially in the context of Indian government's commitment to the comprehensive and rapid economic growth by the development of infrastructure and "Made in India" initiative, etc., on the other hand, India is concerned about China's strengthening military power in the Indian Ocean with the help of OBOR. However, India will not try to rule out PLA Navy's presence in the Indian Ocean region, because India believes that China does not have the capability to establish and run a naval base in the traditional sense in the Indian Ocean. In traditional sense, the most suited place for Chinese military base is Gwadar, but this port is quite vulnerable during a war situation because it is close to both India and the U.S.'s military base. What China needs urgently is the logistic facilities in the Indian Ocean. Therefore, the key of smooth implementation of OBOR in South Asia lies in India's understanding and cooperation, and now there is certain space for China to obtain India's cooperation. But China needs to make efforts in the following aspects:

First of all, China should persuade India that although China initiated and backed, OBOR is not the strategic means for China to seek regional dominance. In addition to bilateral cooperation projects with specific countries, China should launch more multilateral cooperation projects including with India. China can even make use of the existing multilateral framework in which, India is playing greater role, such as IORA. This will show China's respect of India as a great power, which will help mobilise India's enthusiasm to support the OBOR initiative. As Dr. Rahul Mishra, Research Fellow of Indian Council of World Affairs noted that one of the big concerns of India is that the OBOR is not transparent at all. This initiative includes 65 countries, but there is no

relevant government documents about the specific projects published. What the public knows is that China has signed agreements bilaterally with various countries. All the Asian countries are not invited to sit in one table to discuss OBOR publicly together.³ Specifically, China should consider linking OBOR with India proposed projects. We found that when China proposed linking OBOR with “Eurasia economic alliance”, Russia became more supportive of OBOR. Possibly India will do the same. China has already proposed linking OBOR with other India projects, and conveyed that, China would like to identify projects which seek common interests of both China and India and work with India jointly on them.

Secondly, another alternative for China is to accelerate maritime security cooperation with India, promoting their strategic mutual trust and removing India’s doubts on the purpose of OBOR. India’s concern about PLA Navy’s presence in the India Ocean region is mainly due to the lack of trust and information on China’s naval strategy in the IOR. This problem could be addressed by deepening maritime security cooperation between the two. At present, Indian Navy has strong expectations from India-China maritime security cooperation, China should make a more positive response. Both countries have common interests in securing the international shipping lanes. The two navies may consider deeper cooperation on counter-piracy, combating maritime terrorism and other non-traditional security issues. India and China already had preliminary cooperation while handling Somali piracy issue, the two countries could now improve the level of related cooperation. Indian Navy has greater expectation for cooperation with China on combating terrorism on the sea. Indian government estimates that potential for terrorism on the sea like the Mumbai terrorist attack in 2008 is growing. Indian Navy is facing bigger pressure fighting against terrorism on the sea. Thus, Indian government would like to strengthen the related cooperation with navies and coast guards of other big powers, including China. In addition, marine economy has provided a broad space for the maritime cooperation between India and China. Both India and China attach great importance to

the marine economy development. During the 12th “five years plan”, China’s marine economy grows at 8 per cent annually to 2015, created 2.6 million jobs and contributed 10 per cent of the GDP. When “Jiaolong” successfully made an attempt to dive 7000 meters, China became one of the leading countries in the world in exploring deep sea resources. India’s annual “Economic Outlook” mentions very little about the contribution of marine economy to national economy. The marine economy in India is so small that it is not worth to be listed in the annual “Economic Outlook”. China could provide much help for India on marine economy development. There are numbers of multilateral platforms for India and China to cooperate on marine economy. For example, in the year 2014, member countries of IORA raised that they will focus on the cooperation on the marine economy development, including seabed mineral resource exploration, marine renewable energy development, etc. Also, East Asia Summit promoted cooperation on marine economy development among the member countries.

Thirdly, China should achieve more collaboration with the “leveraging countries”, and make greater efforts to improve the India-Pakistan relations to effectively realise the détente between India and Pakistan. As India is in the dominating position in the South Asia, Beijing expects a more relaxed relation between India and Pakistan, and a more active and significant role to be played by India in the course of building the “One Belt One Road”. China is trying to build a leveraging country system for the smooth implementation of OBOR initiative. In South Asia, China perceives Pakistan as the leverage country. The state of hostility between India and Pakistan will inevitably affect Pakistan’s role in OBOR as a leverage country. Therefore, the détente between India and Pakistan is necessary for the implementation of OBOR. India has strongly complained about the China-Pak economic corridor, which is likely to pass through Pakistan occupied Kashmir area. If China continues to disregard this objection, China-Pak economic corridor will be much more difficult to construct. China needs to understand India’s concern on the terrorism originated

from Pakistan, and enable Pakistan to sincerely cooperate with India on the terrorism issue, and facilitate negotiations between India and Pakistan to manage the Kashmir problem. In this regard, China can even consider involving India in the China-Pak Economic Corridor, and extend this economic belt to the Indian side of Kashmir area, or link China-Pak economic corridor to India's "North South Transportation corridor" initiative.

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India's Act East Policy

Chapter 5

Understanding Westward Policy of China and Eastward Policy of India

Guomin

Westward: One Belt and One Road of China

One Belt One Road is aimed at maintaining the global free-trade system. The connectivity project will promote development, strategic linking of different countries, improve regional market potential, enhance investment and consumption, create demands and employment, and increase cultural and educational exchanges among people of different countries along the Road.

In the long term, it is necessary for China to be further integrated into the world economic system. In the short term, it is needed to solve the economic predicament of China. Currently, Chinese economy faces three difficulties:

- Excess production capacity, and excess foreign exchange assets;
- Chinese oil and gas resources and mineral resources are highly dependent on foreign countries;
- Chinese industrial facilities and infrastructure are clustered in the coastal areas. If China suffers from external military attack, it's easy to lose core facilities.

Silk Road Economic Belt mainly includes the Belt from China to Europe (the Baltic Sea) through Central Asia and Russia; from China to

the Persian Gulf and Mediterranean through Central Asia and Western Asia; and from China to Southeast Asia, South Asia and Indian Ocean. The key directions of the 21st Century Maritime Silk Road are from coastal ports of China to Indian Ocean through the South China Sea; and from coastal ports of China to South Pacific through the South China Sea.

On land, OBOR will try to build international economic cooperation corridors such as New Eurasian Land Bridge, China-Mongolia-Russia, China-Central Asia-Western Asia, and China- Indo-China Peninsula through international grand pathways; at sea, OBOR will try to use key ports as joints in building grand transportation channels which are unobstructed, safe and efficient. The China-Pakistan Economic Corridor and the BCIM Economic Corridor are closely related to “One Belt and One Road”, so further cooperation of these two economic corridors should be promoted for bigger development.

In terms of transportation, the main mission of the OBOR is to improve road accessibility levels. In terms of energy, OBOR will promote cross-border electric power and power transmission channel construction, and carry out regional power grid upgrading and remoulding cooperation. In terms of communication, OBOR will jointly promote communication bus network construction such as cross-border optical cable, unblock silk roads of communications, and plan the construction of intercontinental undersea optical cable project.

In terms of investment and trade, China and related countries will try to eliminate investment and trade barriers, accelerate “single window” construction of border ports, lower customs clearance cost, and improve customs clearance capability, explore new growth point of trade, and promote trade balance, accelerate the process of investment facilitation, eliminate investment barrier, expand mutual investment fields, and promote cooperation on emerging industries. China welcomes enterprises from every country to invest in China, and encourages Chinese enterprises to invest in infrastructure and industries along the route of OBOR.

In terms of education and culture, China provides ten thousands government scholarship quotas for countries along the line each year. China will unite with other countries to apply for world cultural heritage, facilitate visa issuance for tourists from countries along the route, and support these countries to hold major international sports events, etc.

Indian media and academic circles are constantly worried about whether the westward policy of China is a siege to India, and the extension of the “string of pearls” strategy. If not, why do Chinese submarines dock at the Sri Lanka ports? In addition, the Sino-Indian border problem remains unresolved. Anything, concerning China, happening around India triggers Indian news media’s strategic anxiety of “siege of India by China”.

Precisely, India can’t be counted as competitor to China in the current stage. The GDP of China is five times as much as that of India, and China is still chasing after and closing in with the U.S. It can be seen from the roadmap of “One Belt and One Road” that the Middle East, Europe and Africa are the emphasis, and India is not a core country of the westward policy of China. The BCIM corridor, being the only OBOR project related to India, is a subordinate line of OBOR. China fully respects the voluntary will of India. If India continues to retain a conservative and sceptical attitude, BCIM corridor will remain sidelined. BCIM is actually a communication project between provinces of the two countries, focusing on the economic and trade matters between Yunnan Province of China and West Bengal of India.

Eastward: ‘Look East’ and ‘Act East’ of India

During the governing period of Indian National Congress Party, the ‘Eastward Policy’ of India was called ‘Look East’ policy, which mainly focused on the economic cooperation with Southeast Asian countries, with little practical action on security issues. However, after the Modi government came into power, ‘Look East’ evolved into ‘Act East’, and practical action became more resolute and diversified. The ‘Act East’ of India is an important strategic step, expanding India’s influence beyond

South Asia. Currently, it tends to extend to the whole Asian-Pacific region. The eastward policy of India is related in many ways to China's strategy in the ASEAN region. Through the "10+" mechanism, China and India are closely related to ASEAN countries, and their cooperation field extends from economy to politics and security.

Positively speaking, the eastward policy of India, and China's strategy of deepening its relation with ASEAN expand the contact (and communication) space and scope of the two countries, and both countries have expressed their willingness to carry out positive competition in this region. Through "Act East" Modi government will inevitably enhance economic cooperation with East Asian countries, which China will accept, even if it means more competition for China. However, if India intends to make great changes in security policies, China will have to judge India's signal carefully to make corresponding adjustment and response.

India and Japan

The "Malabar" military drill carried out by India, Japan and the U.S. in October 2015 is a good point for observing the enhanced cooperation between India and Japan on security issues. This is the first time for Japan to participate in a drill in the Indian Ocean led by India since 2007. The participation of Japan makes it very sensitive for China-India relation in the military field. As early as 2007, India invited Japan, Australia and Singapore to participate in the Malabar drill. China thought this action was aimed at "besieging China" because it appealed to the proposition of "Asian version of NATO" brought up by Professor Nalapat at that time which aimed at besieging China. China protested against each participating country. After that, India stopped inviting Japan to participate in the "Malabar" military drill in consideration of China's feeling. But, why did it invite Japan this time? Abhijit Singh, a Research Fellow in IDSA explained, "Different from 2007, China has extended its actual control on the South China Sea and showed its presence on the Indian Ocean, trying to avoid being besieged in the land". I think this is the main opinion of why India welcomes Japan for Malabar.

However, we noted that while inviting Japan to participate in the Malabar drill, India also carried out anti-terrorist drill with Chinese troops in Yunnan Province on the same day. Although India called it a “coincidence”, it cannot be explained clearly with this simple word, because on the press conference when a reporter asked “do you hope that Japan becomes a full member of the Malabar drill in the future”, Japan and the U.S. showed positive attitudes, but India’s Vice Admiral Verma did not take a clear-cut stand. It still needs to be seen whether Japan will participate in the “Malabar” military drill next time, and whether Japan will become a full member or not.

India and ASEAN countries

Every other year, India carries out a multilateral drill with Southeast Asian countries such as Thailand and Indonesia on the Andaman and Nicobar Islands located quite close to the Strait of Malacca; In October 2015, to strengthen its relation with the littoral countries of the region, India dispatched warships to dock at the Vietnam port.

This is within the scope of normal military interactions and won’t cause strong reaction from China. However, it is regarded by China as a proof that the Modi government has gradually changed its traditional security cooperation with Southeast Asian countries, and lifted this to a critical level which may pose threats to China and challenge the interests of China in near future, thus exacerbating the tension in the controversial sea areas.

The ‘West Philippine Sea’ Incident

In 2015, Indian Foreign Minister Swaraj and Philippine Foreign Minister Del Rosario hosted the third bilateral joint committee meeting of the two countries. In the joint statement issued after this meeting, the South China Sea was called ‘West Philippine Sea’, which showed India’s diplomatic support for the Philippines in terms of the South China Sea issue indirectly. China perceived that the way India called the South China Sea is not a simple clerical error or negligence, but a signal surely transmitting its support for the Philippines. Such behaviour obviously neglects the feeling of China.

Cooperation with Vietnam in Oil and Gas Exploitation in the Disputed Sea Areas

Since 1988, India has been involved in the oil exploitation in the South China Sea area. It obtained stakes in an oil field off Vietnam in 1988, and it also the exploitation and mining rights of two oil-fields in 2006. Both oil-fields are within the scope of Chinese sovereignty. India decided to quit after discovering that one oil field does not have oil, but it continued to explore in the other oil field. In November 2013, Vietnam provided five oil fields for India to choose from, and India decided to exploit two or three oil fields out of them (currently, no information shows that the newly chosen fields are within the controversial area). In the future, countries relevant to the South China Sea disputes will take fiercer action to safeguard their sovereignty, so India and other countries involved should think twice whether the oil field is within the controversial area or not when exploiting oil and gas.

India agrees to the U.S. and Japanese stance of Freedom of Navigation in the South China Sea and plans to provide high speed patrol ships for Vietnam, which makes China unhappy.

India and Australia

Australia, an Oceania country and an ally of the U.S., always has a great influence on the ASEAN region, especially Indonesia and East Timor. Since the reform and opening-up, China and Australia have enjoyed a smooth bilateral relation and close economic cooperation. Currently, Australia is one of the countries that depend most on Chinese economy. So, Australia generally adopts a balanced diplomatic policy towards China and the U.S. In terms of the South China Sea issue, Australia follows the U.S. policy in advocating freedom of navigation and opposing China to make man-made islands in the Nansha, but it won't take extreme actions. Any normal India-Australia bilateral relation concerning diplomacy, economy and military won't cause hostile conjecture from China. Although establishing India-Australia

relation within the Asian multilateral framework will attract attention from China, but China will offer a mild response for a long time.

The general diplomatic policy of China is about developing good relations in an all-around way with all friendly countries, including India. The westward policy of China indicates that China itself wants to develop foreign relations in an all-around way. In that vein, China welcomes India's "Act East" policy and its efforts to strengthen its diplomatic and economic communication with various East Asian countries. Moreover, both China and India uphold the non-alignment policy, stand in the camp of developing countries, and pursue benefits for developing countries in international organizations. China persists with the non-alignment principles, and won't oppose India to develop friendly relations with other countries. In fact, China welcomes stability and development of India, because China has great interests in a stable and developed India.

Recommendations

Both China and India should communicate more with each other and improve the transparency and predictability of their westward policy and the eastward policy respectively. They should make it clear to each other that their strategies do not augment rivalry. Both China and India are rising rapidly, so it's inevitable that the scope of their strategic influence will overlap. Both countries should respect each other's core interests and sensitive areas, and strengthen cooperation and understanding in terms of soft powers; they can strengthen cooperation in non-traditional security fields, such as tackling terrorism and extremism, and handling cross-border crimes such as piracy, drug trafficking and weapon smuggling. High level dialogues should be held regularly to improve the quality of the strategic partnership, to promote mutual trust and to address the trust deficit that exists between the two.

Chapter 6

‘Look East’ to ‘Act East’: India’s Policy Shift or ‘Old Wine’?

Dinesh Yadav

“.... the intensity and the momentum with which we have enhanced our engagement in the East, is a reflection of the priority that we give to this region... A new era of economic development, industrialization and trade has begun in India. Externally, India’s ‘Look East Policy’ has become ‘Act East Policy’....”

Prime Minister Narendra Modi

12th ASEAN Summit

Historical Perspective

It is customary to link the present ‘Look East – Act East’ discourse to 1992, when the ‘Look East Policy’ was formally launched by the Narshimha Rao – led Government. However, it would be prudent to go back further in history and understand the significance of ‘East’ in India’s history since the dawn of the Common Era. Some 2000 years ago, the Kalingas had looked East for trade and had traded by sea with Ceylon, Myanmar, and further afield with the states of the Maritime Southeast Asia, Indochina and China. The maritime activity of Kalinga was so extensive that what is now called the Bay of Bengal was once called the Sea of Kalinga¹.

The Chola Empire, at the height of their power from the latter half of the 9th century until the beginning of the 13th century, stretched from India into many of the countries in today’s Southeast Asia. The

Chola Fleet represented the zenith of ancient Indian sea power. The effects of millennia of these influences and consequent cultural ingress are easily discernable throughout Southeast Asia.

It would, therefore, be fair to argue that the 'Look East – Act East' construct is not new to India, and the Chola Empire could perhaps be seen as the first movement towards the evolution of India's 'Look East – Act East' policy².

Look East Policy

The collapse of the Soviet Union in 1991 not only marked the end of the Cold War and the existing world order, but also validated India's non-aligned stance. The new order that emerged had the United States as the sole superpower, and China emerging as the rising power of the 'East'. Under these circumstances and worsening domestic economic conditions, India was pushed to open up its economy and look for economic opportunities away from its shores. In the run up to the same period, the Asia-Pacific region had witnessed the highest growth rates in the world with unparalleled dynamism and had emerged as the new economic and geo-political center³. It was, therefore, natural for India to explore opportunities in its immediate maritime neighbourhood to its East, and thus, was launched the 'Look East policy (LEP)'.

During the first phase of the LEP, which lasted for a decade, the emphasis was on political, diplomatic and people-to-people contacts, improved connectivity and enhanced trade. Although not explicitly laid out, the policy primarily concentrated on the ASEAN. Buoyed by its economy's sustained progress for over a decade, in 2002, the then External Affairs Minister, Mr Yashwant Sinha announced the commencement of the Second phase of the policy. This phase graduated to defence and security cooperation, besides strengthening economic relations and relationship in other areas. While the economics remained at the forefront, the policy also logically acquired the strategic orientation and in the process also included incremental engagements beyond ASEAN, to include East Asia and Australia⁴.

In November 2012, New Delhi celebrated two decades of successful engagement by hosting the ASEAN-India Commemorative Summit, and the event also marked the beginning of Phase III of LEP, or the 'Enhanced LEP'. During the Summit, ASEAN-India Vision Statement was released which declared that the ASEAN-India Partnership stands elevated to a Strategic Partnership.

In over more than two decades of LEP, India has joined various ASEAN-led arrangements such as ASEAN Regional Forum (ARF), ASEAN Defence Ministers' Meeting Plus (ADDM+), ASEAN India Annual Summit and East Asia Summit (EAS). 'Look East', over time, has thus developed into a multi-pronged strategy involving many institutional mechanisms at multilateral and bilateral levels, economic links and defence engagements⁵.

Act East Policy

With the change of guard at New Delhi, the new government has lent even greater momentum to its engagements with the East, as could be gauged by enhanced diplomacy in East and Southeast Asia. Also, during the India-ASEAN Summit in Myanmar, in November 2014, the 'Look East Policy' was rechristened as 'Act East Policy'. However, it remains to be seen if the announcement was a mere effort at rebranding, or a signaling that India is willing to play a more active and prominent strategic role.

Whilst the plan to engage ASEAN extensively was already charted out in the 'Plan of Action to implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity (2010-2015)', as announced during the Commemorative Summit of 2012, New Delhi, through its 'Act East Policy' is now reaching out to all the nations in the wider Pacific region.

ASEAN

Although ASEAN has been at the heart of India's Look East policy since its inception, New Delhi's announcement of the Act East policy

from the precincts of India-ASEAN Summit of 2014 reinforces the centrality of ASEAN to India's engagement with the countries to its east.⁶ The very fact that Indian Prime Ministers have attended all the nine East Asia Summits from 2005 onwards, adequately underscores the significance that India attaches to the centrality of the ASEAN sub-region in its foreign policy.

The essence of the mutually beneficial engagement between these two vibrant economic entities was reflected in the statement by India's External Affairs Minister, Ms Sushma Swaraj during the summit. She asserted, "ASEAN-India strategic partnership owes its strength to the fact that our 'Look East' to ASEAN meets your 'Look West' towards India".⁷

Economically, India-ASEAN relationship has been a success story. From humble beginnings of US\$ 2.9 billion in 1993, ASEAN-India bilateral trade reached US\$ 80 billion in 2014. With the signing of Free Trade Agreement (FTA) in goods in 2010, and in Services and Investments on 08 September 2014, the two sides are now confident of ramping up the trade to \$100 billion by 2015 and almost \$200 billion by 2022.

Myanmar

Sharing around 1600 km border with India, Myanmar has rightly been christened as 'India's Gateway to Southeast Asia' and is, indeed, an important peg in India's 'Act East' policy. The Indian Prime Minister, during his visit to Naypyidaw for the East Asia Summit in November 2014, engaged extensively with President Thein Sein and also with Aung San Suu Kyi, thereby indicating that New Delhi was comfortable in engaging the current government and also the possible future government under the National League for Democracy (NLD).

Whilst Myanmar is called the 'India's Gateway to Southeast Asia', Prime Minister Modi called the India's Northeastern region as 'India's Gateway to Asia in the 21st century' and called for the region to be developed through economic corridors to Southeast Asia.

The Indian Government is keen to expedite the 1360 km India-Myanmar-Thailand trilateral highway, from Moreh (India) to Mae Sot (Thailand) through Bagan (Myanmar). This will eventually be extended to Cambodia and Vietnam under Mekong-Ganga Cooperation within the wider framework of Asian Highway Network. This is aimed at creating a new economic zone ranging from Kolkata on the Bay of Bengal to Ho Chi Minh City on the South China Sea. Delhi-Bodh Gaya-Yangon direct flights and Imphal-Mandalay bus service are expected to be commenced soon for better connectivity and people-to-people contacts.

The Kaladan Multi-modal Transit Transport Project is envisaged to connect Kolkata Port with Sittwe seaport by sea; it will then link Sittwe seaport to Lashio in Myanmar via Kaladan river boat route and then from Lashio on to Mizoram in India by road transport.

Apart from being an alternative trade route to Southeast Asia, Myanmar is also considered a possible source of energy for India. With estimated reserves of around 3.2 billion barrels of recoverable crude oil and 2.5 trillion cubic meters gas reserves, Myanmar is expected to be the 10th largest oil and gas reserve in the world. In addition, ties between India and Myanmar are expected to improve the local economies in India's northeastern borders

During Myanmar Foreign Minister's visit to India in July 2015, India and Myanmar announced their intention to deepen defence cooperation and an Indian assistance program to help modernizing the Burmese Army and Navy.

Bangladesh

Indo-Bangladesh relations not only represent one of the most significant bilateral relations in South Asia, but India also recognises Bangladesh as a vital element in its Act East Policy.

Prime Minister Narendra Modi's visit to Dhaka in June 2015 witnessed ratification of 22 agreements, covering the wide canvas of political, economic and cultural relations. The joint declaration, titled 'New Beginning-New Direction' aptly captured the essence of the

significant upswing that the past decade has witnessed in the Indo-Bangladesh relations.

The ratification of the India-Bangladesh Land Boundary Agreement, a contentious issue for the past four decades, is a landmark agreement that would go a long way in cementing ties between the two neighbours.

Vietnam

Amongst the ASEAN member nations, India's relationship with Vietnam is the most strategically significant. With injection of new vigor through India's Act East policy, Vietnam has become central in India's strategic calculus as one of the 'anchor countries' of India's policy in the region.⁸

The significance of the relationship could be gauged by back-to-back visits by Indian Foreign Minister and President in August and September 2014 respectively, and Vietnam's Prime Minister Nguyen Tan Dung's India visit in October 2014. The joint statement reaffirmed Vietnam as an important pillar of India's foreign policy. The joint communique also expressed support for freedom of navigation in the South China Sea. Since Vietnam uses defence platforms of Russian origin, India, by virtue of its experience of many decades, can offer assistance to Vietnam in training, operating and maintaining such platforms.

Indian companies are investing in Vietnam in oil and gas exploration, mineral exploration and processing, sugar manufacturing, agrochemicals, IT and agricultural processing. ONGC Videsh Ltd and Petro Vietnam have signed a mutual cooperation agreement on exploration of several oil blocks in the South China Sea.

Singapore

Singapore is India's largest trading partner amongst the ASEAN member nations. Bilateral trade in 2013 stood at S\$25.5 billion with Singapore being India's sixth largest trading partner and the largest foreign investor in India.⁹

Indian Foreign Minister, Ms Sushma Swaraj visited Singapore in August 2014, and launched the year-long 'Year of India' to commemorate the 50th anniversary of the establishment of diplomatic relations between the two nations.

In November 2015, both nations elevated their bilateral relations to a 'Strategic Partnership' framework to contribute to greater regional stability and growth, deepen existing areas of cooperation, in particular, defence, security and maritime cooperation.¹⁰

Indonesia

Indonesia's geostrategic position vis-à-vis the Malacca and Sunda straits, its rising economy, and rising middle class amply points towards the immense potential and mutual benefits for closer engagement with India. Mckinsey's 2012 report suggests that by 2030, Indonesia could be the world's seventh largest economy.

In 2013, India-Indonesia trade was around \$20 billion, with Indonesia ranked as India's second-largest trading partner amongst ASEAN member nations. Indian companies have made investments in infrastructure, mining, banking, power and chemicals industry.

The two Indian Ocean democracies are separated by a mere 80 nautical miles of water; accordingly, there exists huge potential for cooperation in the field of maritime security. Indonesia being a non-claimant in the South China Sea dispute, India and Indonesia's interests in the maritime dispute are closely aligned, linked to regional stability and freedom of navigation, rather than to the specific claims.¹¹

Japan

Given the complementary nature of the two economies, India-Japan economic relations have a vast potential for growth; Japan's technology and investments are natural complement to India's consumer market and investment needs, and accord a win-win situation for both the countries.

In September 2014, during Prime Minister Modi's visit to Japan, the Tokyo Declaration was signed, wherein both the Prime Ministers pledged to harness the full potential of the Indo-Japan strategic and global partnership and realize the mutual aim of maintaining peace, stability and prosperity in Asia and the rest of the world. The declaration emphasized "convergent global interests, critical maritime interconnection and growing international responsibilities" and "Japan's place at the heart of India's look East Policy."¹²

The two sides also signed Memorandum of Cooperation and Exchanges in the field of defence, in particular, the significance of regular bilateral maritime exercises and Japan's participation in Exercise MALABAR with India and the United States.¹³

During the historic visit by the Japanese PM, in December 2015, both sides agreed to major deals, including an agreement on nuclear partnership and introduction of Japan's bullet train technology in India, clearly setting the stage for elevated bilateral ties in the future.¹⁴

The importance of the relationship could easily be gauged by the fact that India is the only country with which Japan holds annual summits. Also, Prime Minister Modi has set up 'Japan Plus' desk at the Prime Minister's Office. Expectations were high for finalization of Indo-Japan Nuclear deal during the Prime Minister Abe's visit to New Delhi in December 2015.

Australia

Prime Minister Tony Abbott, in September 2014, was the first foreign leader to visit India since the change of guard at New Delhi. The visit was soon reciprocated by the India PM in November 2015, wherein the Indian PM articulated his vision of Australia's place in India's policy when he stated "Australia will no longer be at the periphery."

Negotiations to conclude a Comprehensive Economic Cooperation Agreement between Australia and India are presently underway. During the official visits to India and Australia in September and November

2014 respectively, both the Prime Ministers renewed their commitment for an early conclusion of an equitable, balanced and comprehensive agreement.

The opportunities for Australia-India security cooperation are particularly strong in the maritime domain. Australia and India have concluded their first-ever joint maritime exercise, AUSINDEX, off the Indian East coast in mid-September 2015. Also, during his visit to India in September 2015, the Australian Defence Minister advocated for quadrilateral naval exercises with Japan and the U.S., as was done in 2007. With prospects of the U.S., India, Japan and Australia participating in MALABAR in near future, the likelihood of the emergence of the U.S.-India-Japan-Australia Quadrilateral Security Dialogue (QSD) has again come to the forefront. Accordingly, MALABAR 2016 could involve Japan, Australia and possibly Singapore. Also, the QSD, involving the U.S., India, Japan and Australia, may re-assert in the near future.¹⁵

China

With the advent of the 21st century, the economic might of the world is shifting to the East, with China and India being the powerhouses of Asia. Consequently, the balance of power also is in a process of a gradual shift, with China and India becoming important stakeholders in the global world order.

India - China bilateral trade which was as low as U.S.\$ 2.92 billion in 2000 reached U.S.\$ 70 billion in 2014, and has a potential to reach U.S.\$ 80 billion in 2015, making China India's second largest trading partner in goods. Over the last decade, China's share in India's foreign trade has increased to 9 percent.

The border dispute between India and China remains unresolved in spite of number of rounds of talks. China's official stand on Arunachal Pradesh and the issue of stapled visas are major roadblocks towards enhancing Confidence Building Measures (CBMs). China has been extremely critical of the India – U.S. agreement over civilian nuclear

deal and has been blocking the Indian efforts with the Nuclear Supplier's Group (NSG) to get Enrichment and Reprocessing Technologies (ENR). On the other hand, the Chinese support to the Pakistani nuclear and ballistic missile programs has been progressing unabated. In addition, China remains the only major power of the world which does not support India's candidacy for a permanent seat at the UN Security Council.

China has been steadily building strategic relationships from Middle East to Southern China with investment initiatives at Gwadar (Pakistan), Chittagong (Bangladesh), Sittwe (Myanmar), Hambantota (Sri Lanka). The Chinese expansion of ties with India's neighbors might be driven by economic and strategic reasons, but have been viewed by many Indian analysts as a strategic move aimed at preventing India's emergence as an Asian and global power.

On the other hand, India has legitimate stakes for protecting its trade to and from Russia, Japan, China, South Korea, and Southeast Asian nations and energy lanes from Sakhalin (Russia) and Vietnam. Enhanced economic interests in East and Southeast Asia, therefore, are also pushing India for greater engagement with these nations, which Beijing might not be too comfortable with. In this context, India's 'Act East Policy' appears to be meeting China's 'Maritime Silk Road' in the South China Sea.¹⁶

India and China, therefore, share blow hot – blow cold bilateral relations, with relations swinging between the extremes of cooperating on certain issues to working in isolation. Whilst there are a numerous issues where the two Asian giants have cooperated, there are many others where the two countries have fiercely competed. This has also led to the coinage of a new term, Co-opetition, wherein, cooperation and competition coexist. However, it is easily discernible that the degree of cooperation is distinctly much lesser than those on which the two countries compete. However, the scope of cooperation hold immense promise in the future, provided the two countries shed their baggage of the past and embark on the path of peaceful coexistence and cooperation.

A Policy Shift or ‘Old Wine in a New Bottle’?

As has been evident from a flurry of diplomatic engagements in the last 18 months, the Indian Government has clearly demonstrated a shift in its policy. New Delhi, through permeated vigor in its Look East – Act East policy, aims at pursuing a greater and more ambitious role in the Asia-Pacific, in line with India’s growing economic and strategic interests.

New Delhi’s intent at enhanced engagement through its ‘Act East’ policy was evident when it chose to describe its engagement with the U.S. through the ‘East’ prism; Prime Minister Modi, during President Obama’s visit in January 2015 remarked, “For too long, India and the United States have looked at each other across Europe and the Atlantic. When I look towards the East, I see the western shores of the United States.”¹⁷

Recommendations

- To start with, India must strive to improve connectivity between the North East India and the rest of India. Connectivity through Bangladesh hold immense potential and must be given a serious push.
- Subsequently, the land connectivity of India’s North East region with Southeast Asia through Myanmar would open up huge opportunities not only for India’s North Eastern region, but also the entire region. The infrastructure projects underway between India and Southeast Asian nations have been moving at a very slow pace. To realize the immense potential that will be unleashed following enhanced connectivity, India must expedite these projects.
- India wields immense soft power in East and Southeast Asia. Enhanced people-to-people contacts would contribute greatly in Act East policy. Nalanda International University, interconnectivity, Buddhist tourist circuit among others hold immense promise in this regard.

- India must cultivate deeper economic and strategic ties with ASEAN, Myanmar, Bangladesh, Indonesia, Vietnam, Singapore, Australia and Japan.
- In addition, India must continue active participation in multilateral institutions like ASEAN, EAS, ARF and strive for a membership in APEC.
- Further, India must explore avenues of seeking and also offering financial and technical assistance in order to further the strategic relationships.
- Enhanced defence cooperation and assistance, defence transfers, collaborative R&D and combined exercises would go a long way in cementing strategic relationships in the region for India.
- Also, since East and Southeast Asian region forms part of India's extended maritime neighborhood, credible maritime capabilities for projecting sustained naval presence beyond the Indian Ocean region would hold key in India's Act East policy.
- Countries in the region expect greater Indian role in maritime security initiatives, especially the Humanitarian Assistance and Disaster Relief, maritime terrorism, transnational crimes and joint maritime exercises. India must explore regular bilateral exercises with Australia, Japan, Singapore, Indonesia and Vietnam.
- India, through its Act East policy could play a positive and stabilizing role in the region and contribute in creating an enabling environment for peace and prosperity. Relations between India and China would not only decide the future of the Indo Pacific region, encompassing the East Asia, Southeast Asia and Indian Ocean Region, but also the global world order of the 21st century. India and China must cooperate and engage positively over all issues. The presence of the Chinese Navy in the Indian Ocean and the Indian Navy in the South China Sea is a foregone conclusion. Confidence Building Measures in the Indian Ocean Region and South China Sea would, therefore, be in order.

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Chapter 7

India and the South China Sea Dispute

Premesha Saha

Introduction

Maritime disputes involving contests over the control of islands, reefs, atolls, cays, marine and sea-based resources have become an increasingly important concern in Southeast and East Asia. The states in the Asia Pacific have a distinctly strong maritime orientation, as this is a region encompassing a huge maritime area and overlapping maritime interests. The major threat to regional security in this region are maritime disputes, which involve competing claims over islands, continental shelves, Exclusive Economic Zone (EEZ) boundaries, and the offshore resources these contain. These territorial disputes, if not timely resolved, can lead to serious threats that hinder regional stability, cordial inter-state relations and Freedom of Navigation (FON).

The South China Sea (SCS) dispute has long been a sore issue in the Asia Pacific region. In the recent past, some fresh triggers have re-ignited the dispute. In 2009, the Philippines passed the national legislation on the baseline, and a few claimant states submitted their claims to the Commission on the Limits of the Continental Shelf (CLCS). Further in 2010, the debate between U.S. and China on the 'core interest' and 'national interest'¹, the 2012 standoff between the Philippines and China at the Scarborough Shoal,² the failure to come up with a joint communiqué at the end of the ASEAN Foreign

Ministers' Meeting in Phnom Penh in 2012, and the recent 'freedom of navigation and overflight' assertion by a U.S. Navy Arleigh Burke Destroyer (USS *Lassen*) with P8A Poseidon maritime patrol aircraft. Additionally, there have also been two other instances with a direct bearing on India. Reportedly, on 22 July 2011, India's warship INS *Airavat* was cautioned by China when it was about 45 nautical miles off the Vietnam coast after paying a friendship visit. Thereafter in September 2011, China objected to oil exploration in Vietnam's territorial waters by India's public sector company, Oil and Natural Gas Corporation Limited Videsh (OVL).³

The aim of this chapter is to look at the SCS dispute from the Indian perspective. In this context, the article will begin with a brief overview of the SCS dispute. It will analyse what is at stake for India in the SCS, which will pave the way for realising India's stand towards this dispute and the concerns this dispute raises in the minds of the Indian policy makers.

Overview of South China Sea Dispute

The strategic importance of the SCS has been well recognised as the chief trading route connecting the East with the West. It has, however, shot into prominence because of the contest over the ownership of the islands that dot the sea. The SCS is a semi-enclosed marginal ocean basin with a total area of 3.5 million square kilometres and an average depth of 2000 meters.⁴ The SCS consists of four archipelagos namely, the Dongsha Islands (Pratas), Zhogsha Islands (Macclesfield Bank), Xisha Islands (Paracels), and Nansha Islands (Spratlys). It is bordered by the East China Sea to the Northeast, the Pacific Ocean and the Sulu Sea to the East and the Java Sea and the Indian Ocean to the Southwest. Lying between the Indian and the Pacific Oceans, the SCS serves as the "maritime super highway" and a "vital international passage".⁵ Given its strategic location, there are many states competing for claims of sovereignty, namely China/ Taiwan, the Philippines, Malaysia, Brunei, Indonesia, Singapore and Vietnam. China and Taiwan both claim sovereignty over four groups of insular features - an

area demarcated by a U-shaped line based on discovery, historical data, effective occupation and control. China controls the Paracels and seven features of the Spratlys. These Chinese claims have been questioned by other SCS coastal states making similar claims on the lines of the continental shelf and EEZ principles established under the UNCLOS regime. Vietnam claims that it has discovered and ruled over both the Paracels and the Spratlys since the seventeenth century, and presently controls twenty features of the Spratlys. The Philippines on the other hand, maintains claims over a portion of the Spratlys and controls a group of eight islands, which is together known as the Kalayaan Island Group, based on historical evidence, occupation and geographical proximity. Malaysia also claims a certain portion of the Spratlys and controls eight islands that fall within its EEZ. Brunei too claims two reefs and a maritime zone that falls within its continental shelf. ⁶ Due to the “number of claimants, the complexity of the claims and the wide range of interests involved, the SCS has often been called the ‘mother of all territorial disputes’.” ⁷

Of all the islands, the Spratlys are the most contested and contended over. These are a group of small islands, atolls, reefs in the SCS believed to have huge reserves of oil and natural gas and it is the major route that links East Asia with Africa and Europe. In general, most of these claims are based on historical rights, but gradually these claims have been substantiated after the 1994 implementation of the UNCLOS, 1982. Surrounded by the world’s fastest growing economies, the value of the SCS as a trading and navigational route is one to be reckoned with. The natural resources of the SCS are also significant both globally and worldwide. Accordingly, the SCS has attracted a lot of global attention. Powers like the U.S. want the FON through the entire SCS at all times. In East Asia, Japan in particular has a vested interest that a ‘potentially unfriendly power’ should not dominate the waterways. More than a quarter of the world’s trade traverses through the SCS, including 70 per cent of Japan’s energy needs and 65 per cent of China’s.⁸ The SCS encloses the world’s second busiest International Shipping Lane (ISL) and the country that controls it will be a major maritime power in the

Asia Pacific region. It will control one of the chokepoints to the two most important oceans in the world, the Indian and the Pacific oceans. Control over these islands would also guarantee the rights of resource exploitation, control of ISLs and regional naval power projection.

The overlapping territorial claims have resulted in numerous clashes such as one between China and Vietnam over the Paracels in 1974. Another clash had taken place between China and Vietnam in 1988, this time in the western part of the Spratlys and the third clash between the China and the Philippines in 1995 over the Mischief Reef.⁹ Even after the signing of the Declaration of Code of Conduct (DOC) by all the disputing ASEAN members, and also in due course by China in 2002, the disputes remain unresolved. In recent times, this issue has flared up again.

South China Sea and India's Interests

David Scott rightly points out that “India is not in the SCS in the sense of having coastline or island territories, or bases, and claims.”¹⁰ Nonetheless, one cannot ignore that India has become an important actor in the SCS. India makes its presence felt in this region through regular naval visits and exercises in these waters, by strengthening its strategic-military partnerships with various SCS littoral states, entering into oil exploration agreements in these disputed waters and participating in discussions on the SCS with the claimants and the ‘outside players’ in the regional organisations.¹¹

Economic Interests

The SCS gains salience for India on account of its maritime trade which transits through these waters. The International Shipping Lanes (ISL) are critical for India's economic vitality. Nearly 55 percent of Indian trade transits through the SCS bound for destinations in the Asia Pacific region and through the Pacific Ocean towards North and South Americas.¹²

India's bilateral trade with the ASEAN countries has grown extensively. India-ASEAN trade has reached US\$ 57.89 billion in

2010-11.¹³ In 2009, India and ASEAN signed the FTA that came into force in July 2010.¹⁴ The agreement has led to a significant increase in bilateral trade, which has risen from under U.S.D 44 billion in 2009-10 to over U.S.D 74 billion in 2013-14.¹⁵ The trade figures are expected to continue rising consequent to India's 'Act East policy' and the launch of the Regional Comprehensive Economic Partnership (RCEP). Besides ASEAN, India's rising trade with East Asia also dictates the need for a free and secure ISL in the Western Pacific. Given the above economic realities, India is an important stakeholder in the evolving security dynamics in the SCS, and any insecurity in the region could adversely impact on its trade and the economy.

Energy Interest

India has been engaged in joint offshore energy development projects with Vietnam in the SCS since the late 1980s. India has already has a stake in Block 06.1, located 370 kilometres (km) southeast of Vung Tau on the southern Vietnamese coast with an area of 955 square km.¹⁶ The exploration license for this block was acquired by OVL in 1988. The field started commercial production in January 2003. Later in 2006, OVL acquired two more blocks in the SCS for hydrocarbon exploration. Block 127 is an offshore deep-water block, located at water depth of more than 400 meters with an area of 9,246 sq. km. OVL had invested approximately \$68 million by March 2010. Since there were no reserves of hydrocarbon located in this block, OVL relinquished this block to Petro Vietnam.¹⁷

The second Block 128 was also acquired at the same time. Though the company had invested approximately \$49.14 million by March 31, 2012 in the drilling activity, but fruitful results could not be reaped. Despite this, India concluded the agreement with Vietnam during the visit of Vietnamese President Truong Tan Sang to India on October 12, 2011. OVL and its Vietnamese counterpart, Petro-Vietnam, inked a three-year agreement for long-term cooperation in the oil and gas sector.¹⁸

India's Relations with South China Sea Littorals

India's socio-cultural engagements and commercial interests with the countries surrounding the SCS can be traced back to ancient times. It had extensive trading linkages with the kingdoms of Funan, the ancient state in Cambodia, Srivijaya in Sumatra and several kingdoms of South and East China. SCS facilitated connectivity for trade that had generated a complex and a burgeoning trading system among China, Southeast Asia and India. SCS also facilitated cross-cultural linkages wherein Buddhist monks travelled from China through Palembang in Sumatra to Tamralipti in India.¹⁹

India's relation with its Southeast Asian neighbours has further strengthened after the initiation of the Look East Policy in 1991. India and Indonesia inked their Defence Cooperation Agreement in 2001 and this paved the way for a Comprehensive Partnership Agreement in 2005.²⁰ With other littorals like Singapore, India has a Defence Cooperation Agreement signed in 2003 and the Joint Military Exercises Agreement of 2007. India and Singapore also conduct bilateral SIMBEX naval exercise.²¹ Further north, India has also strengthened its links with the Philippines; witnessed with their 2006 Agreement Concerning Defence Cooperation, and the decision in 2009 to set up a strategic dialogue mechanism for policy coordination.²²

Vietnam has been referred to by David Scott as "India's diamond on the South China Sea".²³ To strengthen their relations, India and Vietnam have inked several agreements like the Defence Agreement of 1994, reinforced by a Defence Assistance Agreement in 2000, a Strategic Partnership Agreement in 2007, and a MoU on Defence Cooperation in 2009.²⁴ Furthermore, India has offered Vietnam a credit line of U.S. \$ 100 million for the purchase of four patrol boats.²⁵

Strategic Interest

The SCS does not fall in India's maritime backyard, but two of India's island groups, the Andaman and the Nicobar Islands, are located

relatively close to the SCS, making the SCS a part of India's 'extended neighbourhood'.²⁶ With the initiation of the 'Look East' policy in 1991, this 'extended neighbourhood' has acquired a prominence in India's politico-strategic calculus. Yashwant Sinha, India's then External Affairs Minister, asserted in 2004; "we have articulated the concept of an extended neighbourhood for India which stretches . . . to the SCS."²⁷

The SCS also lies in the maritime zone running from the Eastern Indian Ocean to the Western Pacific.²⁸ This zone is being referred to as the 'Indo-Pacific' in the Indian strategic circle, a term that becoming increasingly prevalent in the twenty-first century. In the opinion of scholars like Dr. Raja Mohan, the ocean is where the global politics will take shape in the twenty-first century.²⁹ In this regard, the chokepoints of the Indian and the Pacific Oceans should figure very prominently in the Indian strategic calculus. China's control of the SCS would bring it geographically close to the Strait of Malacca – a crucial chokepoint – making it easier for China to make its foray into the Indian Ocean.³⁰

South China Sea Dispute and India's Stand

Rajeev Ranjan Chaturvedy in his article on 'South China Sea: India's Maritime Gateway to the Pacific' has very aptly summed up India's stand on the SCS dispute. He says that India desires:

- "First, freedom of navigation: India has a strong interest in maintaining freedom of navigation in the SCS. India clearly underlines 'unimpeded right of passage'. It is essential for peace and prosperity in the Asia Pacific region.
- Second, peaceful resolution of disputes: India favours peaceful resolution of disputes, and opposes the use or the threat of use of force to resolve competing claims. India emphasises that maintaining peace and stability in the region is indispensable.
- Finally, respect of international laws: India insists on peaceful resolution of disputes, in accordance with international law, including the UNCLOS."³¹

India from the beginning has taken no stand on the sovereignty issue, and continues with that position. The freedom of navigation is likely the primary interest of India in the SCS, for the simple reason being 55 per cent of India's trade traverses through the SCS. Therefore, the freedom of navigation clause needs to be analysed in great detail.

Freedom of Navigation

In historic times, there was no such concept as that of navigational rights because at that time, the ocean was open to all and vessels of various countries could sail around the world freely. Its origin lies in the theory of 'Mare Liberum' (Latin for 'free sea') that was proposed in a book of same name by the Dutch jurist and philosopher Hugo Grotius in 1609. In the book, Grotius proposed the principle that the sea was international territory and all nations were free to use it.³²

However, with the development of international trade and shipping, states began to make claims to a certain stretches of seas adjoining their coasts for various purposes. Nonetheless, the concept of 'freedom of the seas' largely prevailed as a principle of international law. In November 1947, a UN General Assembly Resolution entrusted the regime of High Seas to the International Law Commission (ILC). According to the ILC, High Seas comprised all area beyond the Territorial Waters, wherein 'freedom of high seas' comprises *inter alia* freedom of navigation, freedom of fishing, freedom to lay submarine cables and pipelines, and freedom to fly over high seas. The list could not be made exhaustive since new ocean technologies were constantly developing.

Eventually, the principle of 'freedoms of the seas' became the basis of negotiations at United Nations Conferences on the Laws of the Sea. The 1958 'High Seas Convention' made additions to the list of High Seas freedoms, such as freedom to undertake scientific research and exploit the sub-soil of the High Seas. The ensuing treaty UNCLOS, 1982 broadly retained the principle of 'freedom of the seas', but also provided for limited jurisdiction over maritime areas like the Contiguous Zone

and the Exclusive Economic Zone (EEZ). Hence, after the UNCLOS came into force, the definition of ‘High Seas’ was altered. The EEZ was no longer a part of the High Seas. Nonetheless, the concept of ‘High Seas freedoms’ in all International Waters (beyond Territorial Waters) continues to be valid. In contemporary context, the principle of ‘freedom of the seas’ encompasses both the freedom of navigation and over-flight in International Waters; and in spirit, is relevant to both vessels and aircraft, commercial or military. However, restrictions exist on such freedoms in specific circumstances based on the interpretation of the prevailing international laws by individual states.³³

An observation of both India and China’s laws on Territorial Waters, Continental Shelf and Exclusive Economic Zone shows that both countries interpret the provisions of the UNCLOS in a very similar way with regard to the FON clause. In the case of India, “All foreign ships, excluding warships, including submarines and other underwater vehicles have the right of innocent passage³⁴ in the territorial waters. Foreign warships – including submarines and other underwater vehicles – may pass through the territorial waters after giving ‘prior notice’ to the Central Government.”³⁵ On similar lines, China’s view is “Non-military foreign ships enjoy the right of innocent passage through the PRC’s territorial waters. Military ships to enter the territorial waters must obtain prior ‘permission’ of the government of the PRC.”³⁶

In the EEZ and the airspace over it, the Indian declaration upon ratification of the UNCLOS on June 29 1995 contends that, “The government of the Republic of India understands that the provisions of the convention do not authorise other states to carry out on the EEZ and the continental shelf military exercises or manoeuvres, in particular those involving the use of weapons and explosives, without the consent of the coastal state.”³⁷ On the other hand, China’s declaration upon ratification of the UNCLOS on 7 June 1996 also entails that “Foreign vessels including warships enjoy the freedom of navigation in China’s EEZ, provided they comply with the relevant Chinese laws and regulations and the international law.”³⁸ Therefore, India’s apprehensions about the curtailment of the FON in the South

China Sea may not be viewed as a matter of grave concern. Additionally a recent statement by the Chinese Foreign Minister Wang Yi at the Foreign Minister's Meeting of the EAS and the ARF further reiterates this point. He commented that,

“China also has a stake in the freedom of navigation in the SCS. The majority of Chinese cargo are shipped through the SCS, so freedom of navigation in the SCS is equally important to China. China always maintains that countries enjoy freedom of navigation and overflight in the SCS in accordance with the international law. Up to now, there has not been a single case in which freedom of navigation in the SCS is impeded. China stands ready to work with other parties to continue to ensure freedom of navigation and overflight in the SCS.”³⁹

India's Concerns

It is true that China has not hindered India's FON in the SCS, but this does not allay all the concerns of India about China's actions in the SCS. Some of China's assertive actions cannot totally be side-tracked. These are: a) China's expansive claims are not in conformity with the international law provisions, b) China's land reclamation activity goes against the spirit of the Chinese accorded 2002 Declaration on the Code of Conduct in the SCS where the parties agreed to refrain from actions that can further complicate and escalate the dispute thereby harming the peace and tranquillity of the region. Furthermore, China is seen to have a very sensitive attitude in case of acquiring 'lost territories'. This is reflected in the fact that China regards Tibet, Taiwan and the SCS as its 'core interests'. This habit of Beijing to include its territorial disputes in the list of its core interests has caused unease in the Indian strategic circles, that China will soon also add the territories in dispute with India in the Himalayas in this list.⁴⁰

Concluding Remarks

The South China Sea is not located at a close geographic proximity to India. Nonetheless, India has an economic and strategic interest in this sea. India has maintained a normative stand, which even after the coming of the new Modi government in 2014 and the initiation of

the ‘Act East’ policy, does not seem likely to change. This was clearly seen in Prime Minister Modi’s statement at the recent ASEAN-India Meeting held at Kuala Lumpur. He pointed out that, “India hopes that all parties to the disputes in the SCS will abide by the guidelines on the implementation of the Declaration on the Conduct of Parties in the SCS, and redouble efforts for early adoption of a Code of Conduct on the basis of consensus.”⁴¹

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Role of Major Powers in Indo-Pacific

Chapter 8

Role of Major Powers in the Indo-Pacific Region

Jabin Jacob

The conversion of the 'Asia-Pacific' into the 'Indo-Pacific' – a construct of fairly recent vintage – is of somewhat varying legitimacy depending on the issues one is dealing with. From an economic perspective, the 'Indo-Pacific' makes sense given the long energy supply lines between West Asia and East Asia and also from a goods trade perspective. The 'Indo-Pacific' is also increasingly relevant on the basis of various new and specific themes such as climate change, theft of intellectual property, currency manipulation and cyber-security.

However, from a traditional security perspective, the new nomenclature appears rather contrived, even if energy security or nuclear proliferation – that link the Indian and Pacific Oceans – are major issues for the growing powers in Asia. This is so because it is truly the United States only that links the two geographies in terms of credible security capacity. Further, concerns of piracy in the Indian Ocean apart, it is the East Asian half of the Indo-Pacific that is the more critical region from a maritime security perspective, given the various maritime disputes involving China and its neighbours, the nuclear challenges relating to the Korean peninsula and the incipient great power competition between China and the United States. Keeping this context in mind, this chapter examines the role of three major powers in East Asia, namely, Japan, Russia and the United States, and their

interactions with China, as a way of understanding evolving dynamics in the Indo-Pacific.

Japan

As neighbours and sibling civilizations, China and Japan have been structurally oriented towards rivalry. China is unwilling to forgive or forget the humiliation by and depredations of the Japanese during the Second World War and the Japanese elites are unwilling to fully and genuinely apologize or to let go of the chip on their shoulder from having bested and dominated their larger neighbor for whatever brief period. The current Chinese territorial claims over Senkaku are only a manifestation of this historical reality, rather than the main problem.

After long decades of foreign policy stupor, Japanese elites appear to have been roused by China's rise and especially the recent China's creation and active patrolling of an Air Defence Identification Zone over the East China Sea covering the disputed Senkakus. Led by Japanese Prime Minister Shinzo Abe, Japan is crafting a robust political role for itself based on an economy of some considerable weight still, and a significantly modern military as well as defence industry. In the process, the Japanese have riled the Chinese with their 2014 Defence White Paper, which Beijing called 'an excuse for its military buildup'.¹

The Japanese White Paper and Abe's statements are full of hints about why his cabinet has found it necessary over the last few years to push several new security reforms, such as for instance the creation of a National Security Council in 2013, and the release of a National Security Strategy and the National Defence Program Guidelines. While only North Korea has been specifically named as a threat, China is the unnamed elephant in the room. Abe was nearly explicit in his press statement when he told his country, 'Let us be confident. Let us no longer turn a blind eye to the changes in the environment and remain idle.'² This then reflects a call by Abe during the 2014 Shangri-La Dialogue for 'new Japanese' who 'are determined ultimately to take on the peace, order, and stability of this region as their own responsibility'.³

A theme that has carried over from the Shangri-La speech into the 2015 Cabinet Decision titled, 'Legislation for Peace and Security' is Abe's stress on the strong ideological component of shared values. Of the 'Three New Conditions' the Legislation specifically mentions the circumstances under which, Japan will use force. The first condition allows Japan to exercise the option when an armed attack occurs against 'a foreign country that is in a close relationship with Japan, and as a result threatens Japan's survival and poses a clear danger to fundamentally overturn people's right to life, liberty and pursuit of happiness'.⁴ While the wording might offer Tokyo a way to stay out of conflict if it chooses to, it also moves Japan beyond acting only where its ally, the U.S. is concerned.

Abe is clear that Japan 'shall not fail to prepare for contingencies'. That these contingencies have much to do with China and North Korea is evident in his call to strengthen the US-Japan alliance and the reference to American surveillance operations in 'waters near Japan'. The strong declaration that Japan 'will never' be 'embroiled into every war fought by the United States' can only be part of a broad intent. The JSDF has an active anti-piracy role in the Arabian Sea; and Abe's declaration that Japanese 'activities will not be limited to situations that have an important influence on Japan's peace and security' but that it was 'determined to contribute even more actively to global peace and stability', suggests a growing Indo-Pacific security focus.

Nevertheless, it remains to be seen if Japan can 'walk the talk'. To take the case of India-Japan ties, an improved and expanded security relationship would be crucial to Japan achieving its declared intentions. However, Japanese academics and think-tanks appear to be cautious and conservative in their views on prospects for India-Japan relations. This is clearly because they view the relationship through the 'China lens'. Noting geographical contiguity and understanding its strategic implications as well as the centrality of China to Japan's economic prosperity⁵, these scholars are unable or unwilling to imagine that India could ever be that important to Japan. Indeed, there is in Japan, a fair degree of complacency on China because of the deep engagements

between the two countries in multiple areas, including the economy, student and scholar exchanges, tourist traffic and so on.⁶

Russia

The China-Russia relationship has come full circle since the last century when it began as one between the older Soviet communist regime and the junior Chinese communists. Today, China has largely eclipsed Russia on the world stage through the deft use of its economic might and diplomacy.⁷ Moscow also finds it increasingly outdone in Central Asia by Chinese economic prowess.

With its energy exports subject to the market vagaries and its difficult ties with Europe and the West, Russia has had little leverage when it comes to negotiating with the Chinese. One instance is the conclusion of a 30-year deal to supply 30 billion cubic metres of natural gas to China concluded in November 2014, wherein the actual price Russia was receiving was not revealed.⁸

The legacy of Russia's military power and its veto power in the UN Security Council, combined with its energy exports, might have strengthened its position in forums like BRICS, Shanghai Cooperation Organization (SCO) and the Russia-India-China trilateral. Today, however, these are increasingly more of exercises in Chinese leadership and diplomacy, rather than a reflection of any significant Russian geopolitical weight.

For China, giving substantial play to its ties with Russia, even as it is largely preoccupied with the US and new initiatives to strengthen its presence and influence regionally – in the form of the 'One Belt, One Road' initiative for example – is necessary to prevent Moscow, especially under Vladimir Putin from playing 'spoilsport' in the aforementioned multilateral forums or complicating China's other bilateral relationships such as those with North Korea, Japan, the United States, Mongolia, or any of the Central Asian countries. A Russo-Japanese territorial settlement would, for instance, work against Beijing's attempts to diplomatically isolate the Shinzo Abe government. A show of respect

for or deference to Russia is also necessary to prevent not only the Russian worry about China's rise⁹ but also the Central Asian countries from feeling Russian power is on the decline and that they have little or no defence against China's increasing dominance of their economies, and its attempts to cultivate political influence and soft power among their peoples.

Beijing has tried to stand by Russia in several instances. For instance, China's permanent representative to the UN told a Security Council meeting in January 2015 that a political solution was 'the only way out for the Ukrainian issue'.¹⁰ Similarly, editorials in Chinese dailies frequently acknowledged that supporting Russia in the face of the Western sanctions was necessary 'because if Russia goes down... China will be left alone to face the West's arm-twisting moves'.¹¹

Data from China's Ministry of Finance and Commerce shows that Sino-Russian bilateral trade in 2014 stood at U.S.\$95.28 billion, 6.8 percent year-on-year increase, and higher than the trade growth-rate in either country in 2014. From the Russian point of view, given its limited trade basket and Western sanctions, this suggests a greater reliance on China. China has, in fact, offered to help Russia if needed; Premier Li Keqiang offered such help at the Astana meeting of the Shanghai Cooperation Organization in December 2014, without specifically mentioning Russia,¹² while a Chinese official spokesperson answered a specific question on the issue in the affirmative.¹³

China and Russia also continue to deepen various forms of infrastructure and connectivity projects. There is a plan on the anvil to build a 7,000 km high-speed rail line connecting Beijing and Moscow worth U.S.\$ 242 billion.¹⁴ While the China Railway Construction Corporation is part of a project to build an underground subway between Moscow and New Moscow.¹⁵

A Chinese Academy of Social Sciences study under its Institute of World Economics and Politics noted that despite the 2014 joint declaration on a 'new stage of comprehensive strategic partnership',

the gas deals and frequent military exchanges, the two countries had significantly differing interests in Central Asia. Russia's Eurasian Economic Union idea would rub up against China's Silk Road Economic Belt.¹⁶

Indeed, the Russians themselves are trying to balance their relationship with China and their ambitions to play an important role in Asia.¹⁷ Russia's role continues to remain important in trying to tame an unpredictable North Korea with its nuclear and missile tests. China has conveyed its displeasure to Pyongyang over its brinksmanship, including its nuclear tests since 2006, but it cannot also push the North Koreans too far due to fears of the Russians coming to the latter's aid.¹⁸ Further, to bring India and the Indian Ocean into the picture once again, the Russians are now also building ties with Pakistan, including in the defence sector.¹⁹ This might be a signal to India, given that the latter has appeared to be tilting heavily towards the US over the years; but these steps vis-à-vis China and India could also be read as attempts by Moscow to maintain its relevance and leverage in the Indo-Pacific.

United States

Sino-US relations have been particularly fraught with challenges in recent years after the failure of the American President Barack Obama's initial attempts to reach out to China and the latter's own increased assertiveness on territorial disputes in the East and South China Seas. Particularly problematic, most of these disputes have involved close U.S. allies, and clearly target U.S. dominance and legitimacy of its presence in the region.

The 'hard line' evident in Chinese statements regarding the U.S. and its so-called 'interference' in the South China Sea disputes are rather well known.²⁰ *Xinhua* editorials have gone so far as to talk of 'irresponsible behaviors of certain countries' and of 'instigation from outside'.²¹ However, it should not be forgotten that the Chinese also have a parallel track of trying to bind the U.S. in the 'new type of great power relations' formulation for their bilateral ties. This shows

the seriousness with which Beijing views the U.S presence in Asia including a keen and sober understanding of the latter's dominance, and the distance that China has to bridge in order to match capabilities with the world's only superpower.

Meanwhile, the U.S., under its Freedom of Navigation programme, has sought to assert its rights in the South China Sea with innocent passage exercises by USS *Lassen* and USS *Curtis Wilbur*. In the latest of these instances, two claimants Vietnam and Taiwan actually did not protest the US' legal right to do so, even as they continued to claim sovereignty over the island in question. In other words, the US is managing to not only challenge China but also winning greater adherence to international law in the region.²² This also substantially undercuts among other things, China's insistence that international law take into account Chinese emphases on historical claims and at a larger level, its general 'Asia for Asians' approach to the role of powers such as the U.S. in the region.

That said it must be noted that U.S. freedom of navigation exercises were preceded by considerable debate between American naval commanders and their government over whether to sail U.S. Navy ships within waters surrounding features in the South China Sea that China is building military facilities on. The fear that the U.S. Navy expressed was that by failing to do so, even though the Chinese facilities did not have a legal claim to exclusive territorial sea, the U.S. was acquiescing in China's actions and undermining its own alliances in the region.²³ That the U.S. took as long as it did to finally send in the USS *Lassen* in October 2015 to Subi Reef is reflective of the caution with which, Washington views its ties with China and its role in the Indo-Pacific.

The U.S., it must be noted, does not take sides in the territorial disputes in the South China Sea and has actually sought to encourage China every time that it sees Beijing as exercising various options consistent with international law. Thus, during the 2014 RIMPAC exercises in Hawaii – the first time that China was invited to participate

– it did not make a big deal of a PLA Navy spy ship observing activities just outside American territorial waters²⁴ even if the Chinese action was inexplicable, given that four of their ships were already part of the exercise.

The U.S. displayed similar equanimity when in early September 2015, five Chinese warships returning from exercises with the Russians crossed into American territorial waters near Alaska²⁵ ostensibly in keeping with their right of ‘innocent passage’. Equally important, given the background of tensions in the South China Sea and closely following the USS *Lassen* passage, is the fact that in November 2015, the US and China held a joint exercise in Western Pacific.²⁶ The U.S. has also noted China’s interest in attending the RIMPAC exercises a second time in 2016.²⁷

Thus, the U.S. has adopted a mix of engagement and confrontation with the Chinese as a way of retaining its dominance as well as peace and by extension, its continued relevance, in the Indo-Pacific.

Conclusion

The Indo-Pacific is currently driven by the centrality of China’s economic and military rise. However, this rise then sets off challenges for the U.S., which is the current superpower, and other ambitious powers such as India. Indeed, the U.S.’ creation of the ‘Indo-Pacific’ is also about bringing in ‘help’ from India and to force other regional powers such as Japan to construct their political and security matrixes with a wider geographical focus.

However, even without this U.S. push, China’s economic and political rise and the concomitant increase in its regional and global interests would make an ‘Indo-Pacific’ framework inevitable to understand and deal with political and security challenges in Asia and the world.

Meanwhile, from the Indian perspective, it is to be noted that official use of the term ‘Indo-Pacific’ has also been rather limited and sporadic. There appears to be a degree of wariness to committing wholeheartedly

to the concept, even if Indian scholars are increasingly comfortable using the expression. This official stance might well arise out of doubts about whether India is a ‘major power’ in the Indo-Pacific domain as opposed to just the Indian Ocean half of the formulation.

Indeed, India’s displays of ambition have largely been rhetorical – the switch from ‘Look East’ to ‘Act East’, for instance – and theatrical – Prime Minister Narendra Modi’s bear hugs of Prime Ministers Abe of Japan and Tony Abbot of Australia and of President Barack Obama of the U.S., for instance. Despite the many meetings and bilateral visits involving the ‘Quadilateral’, visible results are far from forthcoming and appear stuck at various stages of negotiation over issues of price, technology transfers and other political sensitivities. Perhaps, results are only a matter of time but it is difficult to see any degree of sustainable ‘action’ in the Act East policy when India’s commitment of intellectual and diplomatic resources to the eastern half of the Indo-Pacific, barring perhaps China, is so low.

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Chapter 9

Chinese Anti-Piracy Operations in the Indian Ocean and its Implications

Xu Ke

The Sea lines of Communication of China are facing the threat of maritime piracy. The paper reviews the current situation of maritime piracy in the Indian Ocean, and then looks into the China's People's Liberation Army Navy's (PLA Navy) anti-piracy operation, and finally analyses its implications in the Indian Ocean.

Piracy in the Indian Ocean

Maritime piracy has plagued the Indian Ocean since 1990s. The piracy-prone areas are along the sea lines of communication in the Indian Ocean: the Straits of Malacca and the Indonesian waters to the East, and the Somali coast and waters off the Gulf of Aden to the west. From 1994-2004, the Straits of Malacca and the Indonesian waters were the most pirate-infested waters, there were 1050 piracy incidents in these areas.¹ After the terrorist attacks on the U.S. on 11 September 2001 (9/11 attack), the alleged piracy and terrorism nexus led the littoral states to enhance anti-piracy cooperation. Piracy incidents had declined significantly since then, especially in the Straits of Malacca. However, in the west coast of the Indian Ocean, in Somali coast and off the Gulf of Aden, piracy incidents have been increasing since 2005. From 2005 to 2014, the total piracy incidents amounted to 914.²

Pirates at the Straits of Malacca and Indonesian Waters

The pirate-infested areas in the Indian Ocean are located at the chokepoints of major international shipping lanes, e.g. the Straits of Malacca and the Gulf of Aden. The Straits of Malacca remains the shortest sea route from the ports of India and the Persian Gulf to ports on mainland East Asia. Nowadays, tanker traffic through the Straits of Malacca is more than three times that of Suez Canal traffic, and well over five times that of the Panama Canal.³

Since 1990s, the robust economic situation in East Asia has given a fresh impetus to seaborne trade and shipping industry. A huge volume of cargo flowing through the international shipping lanes provides abundant prey for pirates. The global shipping industry is the direct prey of piracy. The prey includes ships, cargoes and crew. Among all the victims' ships, bulk carriers have been on the top of the list, with 1427 incidents, over 21 percent of total attacks from 1991 to 2014. Bulk carriers travel at a limited speed and their freeboards are low, which makes it easier for pirates to board them when they are underway. The other vulnerable types of vessels are general cargo ships, container ships and oil tankers. From 1991 to 2014, there were 1035 attacks against General cargo ships; 879 attacks against Crude Oil tankers; and 927 attacks against Chemical Tankers. In the Straits of Malacca and Singapore, these vessels are most likely to be attacked, because they have to slow down when passing through the Straits. Besides, the fishing boats and trawlers are also vulnerable for their slow speed, their lucrative seafood cargoes which are easy to be disposed of in open markets. From 1991-2014, there were 332 attacks against fishing boats and trawlers.⁴

Piracy has been fostered by interrelated political and economic factors. The poor economic situation in Southeast Asia played an important role in the surge of piracy. The massive amount of sea traffic passing through the Straits of Malacca not only led to navigational congestion in the Straits, but also imposed a negative impact on the local maritime environment, such as the degradation of fish habitats,

and a slump in profits from fishing.⁵ Consequently, this aggravated the economic crisis of coastal and especially Indonesian fishermen. Poverty provided strong incentive for coastal people to turn to piracy as an alternative source of income. The Asian Financial Crisis in 1997–1998 further exacerbated the Indonesian economic situation, and led to a dramatic increase in piratical incidents in 2000.⁶

Piracy off the Horn of Africa

The rampant piracy in the Somali coast and water off the Gulf of Aden has been a spill over from the chaotic situation in Somalia. After the collapse of the Mahamad Siad Barre regime in 1991, Somalia was broken into many independent areas, such as Somaliland in North-Western region, Puntland in North-Eastern region. Until now, Somalia has yet to have an effective central government. The Transitional Federal Government (TFG) was established and recognised by the United Nations in 2004, however, it only controlled a small area near the capital Mogadishu, let alone controlling Somali coast. Somali piracy has been acquiesced or even supported by the local governments. The separate states in Somalia, such as Puntland government has no incentive and capability to combat piracy, on the contrary, some local officials supported pirates by taking no action in ports, such as Eyl port. Pirates hijacked ships and sailed to Eyl port, asking for the huge amount of ransom.⁷

Chinese Responses to Maritime Piracy

Anti-piracy Operations

In the late 1990s, China was the favourable destination of pirates' stolen goods. Pirates robbed the ships on the high sea and sold the stolen goods through the coastal smuggling networks. A typical illustration was the "Cheung Son Case". The "Cheung Son Case" was one of China's most brutal cases of piracy in the South China Sea, involving the murder of 23 Chinese seamen on board the MV Cheung Son, whose bodies were dumped overboard, and the case ended with 13 pirates being sentenced to death. The ship, MV Cheung Son was repainted and turned into

“phantom ship” before the pirates were caught. The ship has never recovered. In 1998, the Chinese government took firm measures to crack down on smuggling in coastal provinces and combated piracy in the South China Sea. Piracy incidents in the South China Sea were reduced.⁸

After 9/11, facing the U.S. led aggressive anti-terrorism operations, China began to take an active role in enhancing maritime security in Asia. In 2002, China and ASEAN reached consensus on the Declaration on the Conduct of Parties in the South China Sea, which not only reaffirmed both sides’ commitment to maintain peace and stability in the region, but also their willingness to enhance cooperation on maritime environment protection, maritime transport and navigational safety, and fight against transnational crimes at sea. In 2003, China ratified the UN Treaty against Organized Crimes. In 2004, China and ASEAN signed a Memorandum of Understanding (MOU) on Cooperation on Non-traditional Security Issues including sea piracy and terrorism.⁹ In 2004, the China-ASEAN Prosecutors-General Conference was held in China, and all sides agreed to work together in the fight against transnational maritime crimes.¹⁰

Shortly after 9/11, in November 2001, Japanese Prime Minister Junichiro Koizumi proposed the establishment of a government-level working group to study the formulation of a regional anti-piracy cooperation agreement at the ASEAN+3 Summit in Brunei. China welcomed the Japanese proposal. Negotiations on the agreement continued for three years. Eventually, the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) was concluded in Tokyo on 11 November 2004, among 16 Asian countries, including China, Japan, South Korea, Bangladesh, Sri Lanka, India, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Viet Nam.¹¹

The ReCAAP agreement came into force on 4 September 2006, however, the two key littoral states of the Straits of Malacca, Malaysia and Indonesia are yet to ratify the agreement. The ReCAAP has

three aims: Information Sharing, Capacity Building, and Cooperative Arrangements. The key pillar of the ReCAAP was the establishment of the Information Sharing Centre (ReCAAP-ISC). The ISC is a government-level international organisation that aims to facilitate communication and information exchanges between member countries as well as improve the quality of statistics and reports on piracy and armed robbery against ships in the region.¹² The ISC, located in Singapore, communicates with member countries through focal points in the member countries. China has two focal points: one in Beijing, under the Maritime Safety Administration (MSA); the other in Hong Kong, these focal points cooperate with other member states closely via ReCAAP-ISC.

Chinese Victim Ships in the Gulf of Aden and Waters off Somali coast

Chinese ships suffered from the rampant Somali piratical attacks in Gulf of Aden and waters off Somali coast. There were 50 piracy attacks on Chinese controlled and managed ships from 2007 to 2008. The Chinese media had a wide coverage on these incidents. A serial of high profile attacks against Chinese ships in 2008 triggered the Chinese naval escort operation. On 14 Nov 2008, a Chinese fishing vessel, Tianyu No.8, was hijacked off Somalia water. Pirates boarded the fishing vessel, hijacked its 24 crew members and sailed the vessel into Somali waters. Only four days later, on 18 Nov 2008, a Hong Kong bulk carrier, Delight, was hijacked in the Gulf of Aden. The pirates boarded and hijacked 25 crew members as hostages. The pirates sailed the vessel into Somali waters and anchored south of Eyl.¹³

On 2 June 2008, the United Nations Security Council passed the UN-SCR 1816 resolution considered that piracy is “a threat to international peace and security”, and “authorise all states to cooperation with Transitional Federal Government (TFG) to fight with piracy, for which advanced notification have been provided by TFG to UN Security Council”. On 16 December 2008, United Nations Security Council passed another resolution UN SCR 1851 and appealed “to

establish an International Cooperative mechanism”, and “undertake all necessary measures that are appropriate in Somalia” for anti-piracy operation.¹⁴

The Chinese government was under pressure from the media appeals: first, China must protect its national interests in the Indian Ocean; second, China is one of the five permanent members to UN Security Council, it must take active part in the anti-piracy operation in the Indian Ocean as a responsible global actor.

On 26 December, a combined task force, two PLA Navy Destroyers Wuhan, Hankou and a supply ship Weishanhu, were dispatched from Chinese Sanya port to the Gulf of Aden to escort Chinese ships.

When the first batch of PLA Navy escort task force arrived in the Gulf of Aden in early 2009, the U.S. had established Combined Task Force 151 (CTF-151), NATO heads Operation Allied Protector, and the EU organised Operation Atalanta in the region. There were other unilateral naval forces in the Gulf of Aden, such as India, Japan and Russia. The PLA Navy was one of these unilateral naval forces patrolling in the Indian Ocean. The PLA Navy communicated with other naval forces via a website named Mercury, which set up by EU naval forces in December 2008. This website has been facilitating information sharing among naval escort forces.¹⁵

In January 2010, China co-chaired the Shared Awareness and Deconfliction (SHADE) meetings, a multinational anti-piracy co-ordination arrangement that includes representatives from NATO, the European Union (EU), the maritime industry, law enforcement, and other nations involved in regional anti-piracy operations. China also takes an active part in the conferences of the Contact Group on Piracy off the Coast of Somalia (CGPCS).¹⁶ China agreed to patrol the International Recommended Transit Corridor (IRTC), a stretch of sea along the Somali coast designed as a safer haven for vessels passing, according to set areas of responsibility between the Gulf of Aden and the Indian Ocean.¹⁷ Thus, China’s escort mission has changed to “presence mission”, i.e. from solely protecting Chinese merchant ships

to safeguard ships of all nations in the set areas in the Indian Ocean. The PLA Navy's participation in SHADE enhances China's image as a responsible global actor in the international community.

Since January 2012, China adjusted its escort schedules on a quarterly basis, to cooperate with other unilateral task forces, such as India and Japan.¹⁸ By the end of 2015, the PLA Navy has dispatched 22 batches combined task forces to the Gulf of Aden. The PLA Navy combined task forces completed 905 batches of escort tasks, 66 PLA Navy warships participated the escort mission. It was estimated that the PLA Navy has rescued over 120 ships under pirate attacks, fended off nearly 446 suspicious ships.¹⁹

Humanitarian Rescue Operation

In February 2011, the chaotic situation in Libya posed serious security threats to Chinese enterprises and nationals in Libya. The PLA Navy frigate Xuzhou, on the 7th batch of escort mission in the Gulf of Aden and waters off Somalia at that time, sailed to the waters off Libya and provided support for the Chinese largest overseas evacuation. Eventually 35,860 Chinese nationals were taken home safe and sound.²⁰

In early 2015, the conflicts in Yemen escalated, the Chinese government successfully negotiated with the Yemen government and the rebels-the Houthis for evacuation. The 19th batch PLA Navy escort fleet was sent to evacuate 122 Chinese nationals after arriving in the Gulf of Aden in Yemen on 29 March 2015. During the evacuation mission, the Chinese warship also evacuated 225 people from 10 other countries, including Pakistan, Ethiopia, Singapore and Italy. The move was widely praised as a good example of humanitarian rescue operation.²¹

Implications of Chinese Anti-Piracy Operations

Restructure of China's maritime enforcement agencies

The PLA Navy anti-piracy operations in the Indian Ocean facilitated the restructure of China's maritime enforcement agencies. China's

maritime law enforcement agencies used to be called as “Five dragons Stirring Sea” for China did not have an operational coordinating centre. Five maritime law enforcement agencies implement their own missions without coordinating with other agencies. These five maritime law enforcement agencies are, the Maritime Police of the Border Control Department (BCD), the Maritime Safety Administration (MSA), The Fisheries Law Enforcement Command (FLEC), Anti-Smuggling Force of General Administration of Customs (GAC) and Sea Surveillance Bureau of the State Oceanic Administration (SOA). The Lack of coordination and cooperation in maritime affairs resulted in low efficiency and waste of limited resources.

In July 2013, China restructured the State Oceanic Administration. A new Maritime Police Bureau was established under the State Oceanic Administration to coordinate the law enforcement agencies, four maritime law enforcement agencies, namely, the Maritime Police of the Border Control Department (BCD), The Fisheries Law Enforcement Command (FLEC), Anti-Smuggling Force of General Administration of Customs (GAC), and Sea Surveillance Bureau of the State Oceanic Administration (SOA) integrated into the new Maritime Police Bureau. The newly integrated China maritime law enforcement force is called China Coast Guard. The Maritime Safety Administration (MSA) remains unchanged, it is still under the Ministry of Transport. MSA is in charge of maritime transportation and sea search and rescue, and is China’s focal point on Asian anti-piracy reporting of ReCAAP-ISC.

Training and Experiences Learned from Missions

The PLA Navy combined task forces provide a precious opportunity for China to test its naval capabilities and the human capital on maritime issues. China lacks study of the human capital on maritime issues, especially in form of area studies, language expertise and techniques in humanitarian assistance and disaster response.²² Inspired by the escort mission, over one hundred books and thousands of papers on sea power, naval diplomacy and maritime strategy have been published. Many valuable studies on medical experiences of escort mission have

been conducted, for example, psychological impacts on the naval officers and soldiers on board escort ships, and injuries of combatants on board, etc.²³

Establishment of Logistics Support Base

The logistical support is the main challenge for the PLA Navy in the Indian Ocean. China has used Pakistani, Omani and other countries' facilities for logistical supply, however, in order to facilitate the anti-piracy cooperation in the Indian Ocean, China need permanent logistic bases for its presence in the region along the Indian Ocean. Djibouti locates in the Horn of Africa, around 20 kilometres across the Gulf of Aden from Yemen, is the ideal place for PLA Navy logistic base. The United States, Japan and France have established logistics facilities in Djibouti. China and Djibouti government have been negotiating for establishment of logistical facilities. In 2015, China Ministry of Foreign Affairs confirmed that China will build a PLA Navy logistic supply station in Djibouti, the station will be completed in 2017.²⁴

OBOR Initiative and China's Naval Deployment

The PLA Navy anti-piracy operation in the Indian Ocean started from an 'escort mission' and now has changed to a 'presence mission' in Indian Ocean. It has become a show-case for the PLA Navy to safeguard the global maritime security. In 2013, Chinese President Xi Jinping proposed to build "Silk Road Economic Belt and "21st century Maritime Silk Road", in short, "One Belt One Road" or "OROR initiative". Chinese government is keen on re-activating the ancient silk route from China to the Indian Ocean, African and the European countries. In order to enhance maritime security along the international shipping lanes, the PLA Navy will continue deploying its forces in the Indian Ocean even if piracy incidents in the Indian Ocean have been reduced. It is understandable that India has expressed deep concern about the PLA Navy deployment in the Indian Ocean, however, China now need to deal with more urgent and serious maritime challenges from the United States and its neighbouring countries, in the Strait

of Taiwan, in the East China Sea, in the South China Sea. Restrained by its limited naval capability, the PLA Navy presence in the Indian Ocean is only an icon of China as a responsible global actor.

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*India and China: Prospects for
Maritime Cooperation*

Chapter 10

Chinese Military Presence in the Indian Ocean Region

Ouyang Guoxing

At the end of last year, Chinese government formally confirmed the news of ongoing negotiations with Djibouti's government for constructing a new 'Overseas Strategic Support Base', after maintaining the stand of 'having no plans for establishing military bases abroad' in the past decades.¹ It coincides with the key report released at the 18th National Congress of the CPC held during November 2012, which outlined the 'maritime power' strategy. China is a traditional Indian Ocean country and at this new historical starting point it is keen to expand its military presence in Indian Ocean Region (IOR) with the rapidly growing of the Comprehensive National Power (CNP) and overseas interest. This essay seeks to present Chinese military presence in the IOR from a historical perspective and provide some personal suggestions for this historical process.

The Never-Fading History: China as a Traditional Indian Ocean Country

China was a typical continental power in history and its security threats mainly came from surrounding ethnic groups and nomads to seize the fertile land and other resources from the mainlanders (mainly Han people). Ironically, the newcomers were assimilated by the relatively advanced Central Plain Culture and the rich land resources. Continuous land threats formed the Chinese mind-sets of a continental power,

ignoring the necessity to explore maritime resources. Throughout Chinese history, in fact, probably since the formation of the dominion of the Qin Dynasty, this continental mind-set did not change much and mainly relied on the maximized land power of Central Plain Culture, confined by the restricted geographical environment of the freezing north, the deserts of the west and the vast oceanic presence in the eastern and southern sides.

From the classical international theory, the state strategy is mainly decided by its overall capacities and intentions. Accordingly, ancient China was focused on defending its relatively rich resources in the Central Plain and did not have much impetus and capacity to search for the overseas fortune. Its unique historical experience also made China to consider and carry out its national strategy from a continental angle.

Even then, the Chinese people never gave up exploring the Indian Ocean Region (IOR). Especially with the developments of the navigation technology and with the increasing overseas commerce, the Chinese people began to immigrate to the countries in the South-East since the Tang Dynasty period. In order to show the superiority of imperial China and build tributary system, the Ming emperor supported Zheng He's Voyages at the beginning of the 15th century. This was the first significant event for the Chinese military presence in the IOR. However, from the inner self-confidence of the Middle Kingdom, the emperors gradually believed that China owned all the best things in the world and it was unnecessary to trade with the outside world, following which they began to carry out the Close-Door policy and isolated China from foreign influences in the middle of 16th century. This Close-Door policy greatly limited the development of the Chinese Navy. From the Opium War in 1840, China suffered the colonialist aggression for almost 110 years. Also, with the Western colonist rulers in IOR countries and the rise of Japanese militarism, the Qing Dynasty had to take the homeland security as the priority target in the national security strategy. Even after the founding of New China in 1949, China continuously dealt with the land conflicts - with

the U.S. in 1950s Korean War, India in 1960s, Soviet Union 1960s-1980s and Vietnam in 1980s. At the same time, China had to provide for the military resources in the Taiwan issue. All these became major obstacles for development of the Chinese sea power since the founding of the New China. The last but not the least, the U.S. Navy which has been acting as the international police in the Pacific also exerted great pressure towards the development strategy of the Chinese Navy.

To summarise, although China's first generation of collective leadership was aware that China's weak and backward navy was one of the causes behind the history of its semi-colony, semi-feudal social humiliation, there were no strategic capacity and opportunity for China at that time to develop a strong enough navy. Then the second-generation leaders had to focus on the economic construction, and devoted much more time in developing inshore defensive operational capacity.² The successive generations of Chinese leader gradually noticed the importance of the energy and Sea Lines of Communication (SLOCs) with the economic globalization and deepening of reform and opening-up policy. Especially the 'Yinhe incident' (when the United States accused that the China-based regular container ship *Yinhe* of carrying materials for chemical weapons to Iran, forced the ship to stop in the international waters of Indian Ocean for three weeks in July 1993, then found nothing but refused to apologize) shocked the Chinese leaders and influenced them to adjust China's naval strategy: In line with the strategic requirement of defence of offshore waters and open seas protection, the PLA Navy (PLA Navy) gradually shifted its focus from 'offshore waters defence' to the combination of 'offshore waters defence' and 'open seas protection', and built a combined, multi-functional and efficient marine combat force structure. Now the PLA Navy is enhancing its capabilities for strategic deterrence and counterattack, maritime manoeuvres, joint operations at sea, comprehensive defence and comprehensive support.³

The transformation of China's naval strategy was led by the following three reasons: First, China has set the strategic aim of building 'maritime power' and needs a strong enough navy to protect its maritime rights

and interests effectively; Second, from a perspective of the new military revolution, the warfare platforms are moving towards precision-guided weapon, and the battleground is expanding, the 'inshore defense' had been unable to safeguard the threats from the sea; Third, China is under the complex maritime threats and challenges, and the Chinese Navy has to enhance its ocean-going combat capability to protect its territorial waters' sovereignty and overseas security interests.

In the 21st century, oceans and seas have an increasingly important role to play in a country's economic development and opening up to the outside world. At a study session with members of the Political Bureau of the Communist Party of China (CPC) Central Committee in July 2013, Chinese President Xi Jinping called for efforts to learn more about maritime affairs and further manage maritime development. This shows that China's new leadership is paying more attention than before to review and develop China's maritime strategy. Now, China is becoming one of the most important stakeholders in IOR and trying to accelerate the investment of economic and military resources in this area towards the following strategic goals: First, to secure the vital international SLOCs in the Indian Ocean. The ocean is highlighted as one of China's four 'critical security domains', other than the outer space, cyberspace and nuclear force by PLA's White Paper,⁴ especially considering the lessons from the humiliating 'Yinhe incident'. Second, to protect China's overseas interests, which is rapidly increasing with China's multiple-way interactions with the IOR countries, most of which are in turmoil and relative anarchy. The PLA Navy needs to continuously enhance its deterrent effect and emergency response ability in the IOR; Third, to push forward the line of defence. China's 70 per cent GDP was confined in the 200 km coastal economic zone, and the security boundary has been expanding quickly with the growth of Chinese economy. Considering the long-range and non-contact attack war becoming an inevitable trend nowadays, it is very important for Chinese Navy to detect and defend the long-range threats.⁵ Fourth, to take the international responsibility as a rising maritime power and intensify PLA Navy's participation in such operations as

international peacekeeping and humanitarian assistance, and do its utmost to shoulder more international responsibilities and obligations, provide more public security goods, and contribute more to the world peace and common development. Also, there are almost thirty million Chinese people living outside China and 80% of them staying at the Southeast countries, which lie in the eastern side of the Indian Ocean.

Chinese Military Presence in IOR: Some Key Issues

There is much discussion about China's overseas military presence in the IOR. The term 'String of Pearls' was the typical representative concept which was first used in an internal United States Department of Defence report titled 'Energy Futures in Asia' and referred to the network of Chinese military and commercial facilities and relationships along its Sea Lines of Communication (SLOC) in the IOR. The report argued that China may be planning to develop overseas navy bases in South Asia to support extended naval deployment which was considered as a fallacy by Chinese government. Sri-Lankan website Colombo Page quoted 'anamibian.com.na' report that China has planned to build 18-19 overseas strategic supply bases in Djibouti, Yemen, Oman, Kenya, Tanzania, Mozambique, Seychelles, Madagascar and other parts of the IOR.⁶ China denied relevant reports and termed it 'utterly groundless'.⁷ However, at the same time, Chinese government also formally confirmed that it has started negotiations with Djibouti's government for constructing a new 'Overseas Strategic Support Base'.

A Paradigm Shift?

In the past, China has reinforced the message that it would not send a single soldier overseas except for peace-keeping missions approved by the Security Council. Chinese overseas military base in the IOR is a sensitive subject for the regional stakeholders and China seeks to address these security concerns. The Chinese military base will be much beyond the typical kind of overseas military presence and will include the interactions of the military personnel as the officers or the visiting scholars, the supply of military hardware and weapons sales, sending

military advisory groups, international humanitarian and disaster relief, the commercial paramilitary force, military logistics support base, military intelligence and the special military operation, international peacekeeping and anti-piracy missions, massive reconnaissance and patrol, evacuate overseas citizens, overseas operating bases and operations. In this sense, China actually has a long history of overseas military presence which includes the several land conflicts and military cooperation with Pakistan, Myanmar, etc. So, enhancing its military presence in the IOR is not really a paradigm shift in China's traditional security strategy.

A Game Changer?

Threat is a relative concept, according to the classical theory of international relations, which depends on the geographical proximity, offensive power, and aggressive intentions. China is one of the stakeholders in IOR, however, has no maritime border disputes with Indian Ocean countries and the maritime 'boundary security' is clearly divided into two different parts by the Malay Peninsula and Sumatra Island. Though it is historically inevitable for PLA Navy to expand presence in the Indian Ocean, considering India's geostrategic location and its political and military supremacy in the IOR, PLAN actually will not become a predominant threat to India in the next decades. Also, IOR is a ground of dispute and known as the 'grave' of big powers. The Soviet Union invaded Afghanistan in 1979 intending to open up a channel to Indian Ocean but failed, the U.S. made the same mistakes in Iraq, Somalia, Afghanistan, etc. Now, the U.S. is the biggest military power in the IOR and it is unwise for China to compete for influence and hard power with the key stakeholders likes the U.S., India, Iran and Australia in this ocean.

Obviously, China's core interests lie in the Western Pacific like the Taiwan issue, South China Sea, East China Sea which has been challenged by U.S.-Japan alliance and other disputing parties. PLA Navy will remain focused on the Western Pacific rather than the Indian Ocean. At the same time, Indian Navy is no longer confined to the

Indian Ocean and is ready to implement Modi's 'Act East' policy. It has defined its area of interest between Strait of Hormuz in the Persian Gulf and Strait of Malacca – that means largely the Indian Ocean, the Arabian Sea and the Bay of Bengal – but not in competition with China's interests in the Western Pacific.⁸ That is to say, compared to the huge potential economic effects, China's military presence in the IOR has been overemphasised by the Western media. Actually, it is the easiest to cultivate military relationship between two countries through seeking cooperation in the maritime domain. And maritime cooperation is a great confidence-builder and can become a catalyst for close collaboration in many other fields. China and India have the opportunity to deepen their delicate military relations before it becomes a 'security dilemma' in the IOR. Chinese military presence in the Indian Ocean will be confined by its limited capabilities and strategic purpose.

Impact on Sino-Indian Relations

China is trying to evolve as a maritime power and PLA Navy is being developed as a blue-water navy, striving to hone its combat capability through sending more and more ships and submarines to different kinds of unfamiliar waters to familiarise with ocean environment. Over the years, the PLA Navy has been practising repeatedly to break through the 'First Island Chain' in Western Pacific Ocean. With U.S. military's Asia Rebalance, PLA Navy's drills in this area have been subject to close surveillance and regular harassment by the U.S. Navy and Japanese Maritime Self-Defense Force (JMSDF). Relatively speaking, there is a power vacuum in the Indian Ocean now which is more suitable for PLA Navy to run some substantial military drills and weapons testing, to get familiar with the combat environment in the IOR. In order to avoid the humiliating history likes 'Yinhe incident' in IOR, it is very urgent for PLA to develop self-defence capability. It needs some 'friendly' ports and logistical support to enhance China's military strategy in the IOR. It should not be surprising that PLA Navy has the ambitions to own some stable and friendly naval supply bases (which may be different from American military bases) in the IOR in the near future, because

mature military supply route is the symbol of a real blue-water navy. This may cause unease to India.

Though Sino-Indian relations maintained an overall stable status in the past decades, the political mutual trust had been squeezed by continuous emergence of new issues - not only the traditional border issue, Tibet issue, and the complicated triangular relationship of China-India-Pakistan, but also the relatively new issues, such as cross-border water problems, bilateral trade imbalances. As China and India rise rapidly, some structural conflicts between them are bound to show up, especially in the maritime realm. Two countries' 'maritime security boundary' is rapidly expanding as they are increasingly paying attention to maritime security and dedicating significant resources to enhance their capabilities in the maritime domain. That also raises the risk that maritime security may be the one of the domain obstacle issues between the two countries.

Both countries have to adapt and find ways of enhancing mutual relations with growing maritime interaction in the Indian Ocean. India should realise that it is a historical inevitability for Chinese Navy to return to the IOR. In history, the world has witnessed Chinese naval activities in the Indian Ocean since Zheng He's seafaring period. Chinese Navy was pinned in the Western Pacific after the humiliating history since 1840 till the 'Galaxy Event' which put the "building of Chinese Maritime Great Wall" on the Chinese top leaders' agenda. Driven by the process of globalisation, China has now become a significant stakeholder in the Indian Ocean Region. And the IOR has been considered as 'key area within China's strategic passageway' and 'core of the world sea power system' by Chinese strategists, given that this region is also one important area for China's 'One Belt and One Road' construction. China has been continuing to make attractive offers, such as maritime escorting actions to Indian Ocean states and seeking support for its blue water training since December 2008. In this context, India is faced with a dilemma about Chinese Navy's presence in the Indian Ocean. The 'Submarine Threat theory' once again raked up the issue of 'String of Pearls' in the Indian media.

From China's point of view, the modern Silk Road actually embraces the ancient Silk Road and echoes spirit featuring mutual trust, mutual benefit, equality and coordination. To develop peacefully and build a harmonious world is China's shared strategic decision and historic mission. Obviously, China and India have different attitudes towards their navies' cooperation in IOR. Fortunately, in the field of maritime security, neither India nor China is engaged in a containment strategy. In contrast, India and China can reap much benefit if they make efforts to promote maritime security dialogue and carry out maritime diplomacy in future. In order to narrow the differences, the two countries could carry out cooperation from the non-sensitive areas, and then move to military, security cooperation gradually. The two countries have the rare opportunity to use the maritime cooperation as a catalyst to enhance their political mutual trust.

Some Suggestions

Overseas military presence is a complicated issue. As a global power, China should coordinate its hard power and soft power, integrating the advantage of political, economic, diplomatic and military power. Considering the reality of the situation, in the near future, China's military presence in the IOR should adhere to some basic principle:

First, in order to avoid challenging the status quo, China should mainly focus on the low-intensity military presence, such as military diplomacy and international humanitarian and disaster relief, at the same time, formulate the long-term planning. It is also very important not to waste the limited military resources in some regional geopolitical conflicts and avoid the Soviet Union and America's failures in the IOR.

Second, China could set up some security companies like the Blackwater USA as the complementary forces to protect China's overseas interests. The private defence contractors will be more flexible and pragmatic than the regular troops overseas.

The last but not the least, India is the strongest resident power in the IOR which is inextricably linked to the China's overseas interests.

It is very important for China to cooperate with the stakeholders like India and the U.S. in the IOR. As a starting point, two sides can use maritime dialogue to sink their misunderstandings on each other's maritime strategy. They can also take the opportunity of Maritime Silk Road (MSR) initiative to carry out maritime cooperation on non-sensitive areas. Maritime cooperation actually is much more than just naval exercises. It also deals with common non-traditional security challenges and promotes marine economic development. MSR is essentially a maritime cooperation project which includes port infrastructure construction, capacity building in law enforcement to safeguard the SLOCs, the blue economy, building production bases, joint centres for research and development, climate change adaptation, pollution prevention and control, even tourism and education, etc. So, there is great scope and enormous potential for maritime cooperation between China and India.

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Chapter 11

India and China: Maritime Cooperation in the Indo-Pacific Region

Gurpreet S Khurana

Lately, both India and China have enhanced their respective maritime power in tandem with the geographic dilation of their vital interests. The Indian Ocean Region (IOR) now holds major economic and geopolitical stakes for China, leading to its intensified Chinese maritime activities in the Indian Ocean and vigorous engagements with the IOR countries. The same could be said about India's enhanced stakes in the Western Pacific, and its littoral countries, that has led to New Delhi scaling up its 'Look East' policy to 'Act East' policy. This has led to an interesting and seminal occurrence of historical salience. The two major civilizational powers that have interacted over centuries with each other across the land frontier, have now developed a maritime interface. This leads to immense opportunities for India and China to cooperate at sea for mutual gains.

As two major powers in Asia, India and China need to play a leading role towards regional security and stability. This is not only their normative responsibility as major regional powers, but also an imperative to further their respective national objectives in terms of economic development and prosperity of their peoples. With the Indo-Pacific being a predominantly maritime configured region, a greater

emphasis may need to be placed on security and good order in the region's maritime realm.

However, it is necessary to realise that India-China maritime cooperation cannot possibly materialize unless the overriding impediments are removed, which hinder trust-building, and therefore, any 'meaningful' cooperation. The 'India-China Maritime Dialogue' represents an empirical evidence for this. The Dialogue was finally held in February 2016, nearly four years after it was first agreed upon by the foreign ministers of two sides¹ ; and even so, the inaugural event turned out to be largely symbolic, with little discussion on substantive cooperation.²

This chapter attempts to identify specific convergences and complementarities between India and China in the broad domains of maritime economics, maritime security and geopolitics, which may lead to potential bilateral maritime cooperation, ensuring security and stability in the Indo-Pacific region. In the process, it also identifies the essential prerequisites for India and China to cooperate at sea.

Maritime Economics

Land Access for Sea Trade

For China, in comparison to its land area, the length of its coastline is small. As the table below (Fig. 1) indicates, among a select group of major and medium powers in the world, China's coast-to-land ratio is among the least. Hence most of China – particularly western and central China – is continental, far away from the locus of economic activity – the sea.

Besides, China's maritime frontier is located far away from the sources of raw-material and markets in the rest of Asia and Africa. China seeks to offset these geographical disadvantages through its 'One Belt One Road' (OBOR) initiative. The land component of the OBOR in Southern Asia seeks maritime-economic access for its land-locked provinces in Western and Central China to the Indian Ocean.

Country	Length of Coast (km)	Land Area (Sq. km)	Coast-Land Ratio
Japan	29,751	364,485	81.60
U.K.	12,429	241,930	51.40
Indonesia	54,716	1,811,569	30.02
South Korea	2,413	96,920	24.90
France	4,853	640,427	7.58
Germany	2,389	348,672	6.85
Australia	25,760	7,682,300	3.35
India	7,000	2,973,193	2.35
South Africa	2,798	1,214,470	2.30
Russia	37,653	16,377,742	2.30
United States	19,924	9,161,966	2.17
China	14,500	9,569,901	1.52
Brazil	7,491	8,459,417	0.89

Fig. 1 – Cost-land Ratios of Select Major/Middle Powers³

China may be able to implement its OBOR initiative without India, but that way, it is unlikely for China to realise the full potential of the opportunity that India offers. The potential lies in the geographical distances to the Indian Ocean. Kashghar (in China’s Xinjian Province) is located 2,000 km away from Pakistan’s Gwadar port in the Indian Ocean and 4,000 km from Guangzhou port in South China Sea. However, Tibet is only 1,200 km from India’s Kandla port and only 600 km from Kolkata port, both in the Indian Ocean. Hence, China could attain nearly ‘direct’ access to the Indian Ocean across India.

This will also help India in terms of interconnectivity with China, and the development of economic corridors within the country. Owing to the geophysical barriers in the North and geopolitical contentions with Pakistan, the access to China and the Central Asian Republics has always posed major challenges for India, making it virtually an ‘island-

state'. China's land access to the Indian Ocean could also help India substantially to develop its sea-port infrastructure. It would bolster the latter's 'Sagar Mala'⁴ sea-port project and lead to an enhanced demand for ships, thereby providing a fillip to local shipbuilding and petroleum-based industries. However, the full potential of geography can be leveraged by China and India only after the resolution of outstanding border dispute.

The need to develop trade connectivity between India & China will increase in the coming years with the fructification of the Trans-Pacific Partnership (TPP). The two countries are not part of TPP agreement signed among the U.S. and 11 other countries of the Pacific Rim in early October 2015.⁵ Although it may be too early for economists to figure out its implications for China and India, it is likely to adversely affect their GDPs to some extent, besides potentially leading to job losses.

Ocean Economy

There lies immense potential for India and China to cooperate in the development of 'ocean economy'. In China, 'ocean economy' contributes to four per cent of the national GDP – among the highest proportion in the world – which is creditable given China's geographical adversity in terms of its coastline-to-area ratio. On the other hand, India has tremendous potential to develop 'ocean economy', and much emphasis is being laid lately to realise this potential.

The Chinese fishing nets in Kochi in Kerala province of South India are apt reminders of the historic engagement between the two countries in this domain. These are a series of 20-30 nets on the shores of Kochi employing a rather unique method of fishing, which has become a tourist attraction. It is unclear whether the Portuguese brought these nets from Macau, or these were carried by Admiral Zheng He's ships during their voyages across the Indian Ocean. Nonetheless, the Chinese link is undisputable, and could become a symbol of future India-China cooperation in 'ocean economy'. While

India and China could share their experiences and best practices on various facets ranging from fishing to sea trade and marine tourism, the two countries can actually work together in unison on seabed exploration and mining in the the Indian Ocean where both have been awarded exploration rights by the International seabed Authority (ISA). In this field, the concerned agencies belonging to the two countries could undertake joint development of seabed mineral exploration and extraction technologies.

The two countries could also share expertise on the ‘greening’ of the Ocean Economy, which is becoming increasingly necessary and is being called “Blue Economy”⁶. Furthermore, there are immense possibilities of cooperation in development of renewable energy, specifically in the fields of harnessing maritime wind, wave and tidal power.

Sea trade is an important component of ‘ocean economy’. The maritime component of China’s OBOR initiative – the Maritime Silk Road (MSR) – proposes cooperation to enhance sea trade connectivity through development of ports and other infrastructure. Ostensibly, this looks to be a win-win proposition. However, India has not shown much enthusiasm towards it since the intent behind MSR is not transparent. Some analysts, for example, have suggested a military-strategic motive behind the MSR, which appears to be coming true with recent reports of the PLA Navy acquiring its first military access facility in Djibouti.⁷

Maritime Safety and Security

Common Public Good at Sea

There lies immense scope for China and India to cooperate towards providing Common Public Good at Sea (CPGAS). The perils at sea are numerous from weather to maritime criminals, which do not distinguish nationalities. Similarly, a warship’s response to such perils to human activity and disorder at sea is unrelated to its nationality. For any merchant vessel cruising in the high seas, the mere presence of a naval ship in the vicinity is a source of immense security. In May 2011,

an Indian warship undertook an operation to rescue a Chinese cargo ship from Somali pirates.⁸ Similarly, for an Indian mariner sailing in the Gulf of Aden, for example, sighting a Chinese warship would be a source of comfort nearly as much comfort as an Indian warship.

CPGAS needs to be seen in context of maritime commerce, and thus the MSR. Although it is surprising that the MSR concept does not mention 'maritime security and safety' at all, cooperation between the navies of India and China would be essential for security and safety of sea trade along the MSR. However, until a degree of mutual trust is developed, the Indian and Chinese naval units operating in the same area are likely to engage in snooping on each other. Such activity is pregnant with immense risks, given the absence of an established code of conduct during unplanned naval encounters.

Reciprocal Arrangement

While China has vital economic stakes in the Indian Ocean, the same is true for Indian interests in the Western Pacific. The maritime forces of China and India could institute a reciprocal arrangement to provide for maritime safety and security of each other's nationals and assets in the Western Pacific and Indian Ocean respectively.

This does not imply that the PLA Navy need not operate in the Indian Ocean and vice versa. However, since most maritime-security missions would need low-end policing and constabulary forces, rather than sophisticated warships, these tasks could be performed by coast-guards, rather than the PLA Navy and the Indian Navy. For example, China's vital interests lie in the Bay of Bengal in terms of the Kyakphu oil and gas terminal. In this case, the Indian Coast Guard (and the policing assets of the Indian Navy) could easily provide security to these assets in conjunction with Myanmar Navy. Another example is the safety and security of Chinese nationals and assets engaged in seabed exploration and mining in the Indian Ocean.

Naval Cooperation with Third Country

Although the potential areas for maritime security cooperation are plenty, China's military-strategic interface with Pakistan is a major factor that breeds mistrust, and impedes India-China cooperation. Possibly, Beijing harbours similar apprehensions on New Delhi's relations with the countries in the Western Pacific. While sovereign states are free to choose their friends, China and India would need to factor the implications of naval and defence interactions with any third country. For example, China's assistance to Pakistan to develop and deploy sea-based tactical nuclear weapons not only complicates India's security calculus, but is also inherently destabilising for the region.

It seems that through Pakistan, China seeks to keep India strategically focussed in its west, and dilute its increasing maritime-military capabilities in its east. Even if such a perception is baseless, it is strong enough to impede maritime security cooperation with China. Notwithstanding, it is pertinent to note that Beijing has imposed a major restraint upon Islamabad on some occasions when Pakistan has tried to create trouble for India through proxy war – such as during the Kargil Conflict of 1999 – a fact that has been widely noted and appreciated in India.

Naval Access Facilities

Some reports indicate the likelihood that alike Djibouti, the Pakistani port of Gwadar being developed by China would also be used by the PLA Navy. China's acquisition of overseas military access facilities in the IOR may be justified as necessary for 'maritime security and safety' which is inextricably linked to maritime economics, and thus, to the MSR. However, the lack of transparency again becomes an issue of concern. If only China could share with India its plans to develop access facilities in the IOR, it is likely to be welcomed in New Delhi. On its part, India could reciprocate by sharing with China information and plans on its access facilities in the Western Pacific.

The visits of China's Song and Yuan-class submarines to Colombo (September-October 2014) and Karachi (March-May 2015) represent specific cases in this context. The visits caused much tension in New Delhi, primarily caused by the media hype. Only if Beijing could have intimated New Delhi in advance about the submarine visits, the media could have been silenced and mutual trust between the two countries maintained.

'Geopolitical' Dimension

It is necessary for us to realize that China's MSR concept and the Indian concepts of Mausam, Spice Route and Cotton Route not only serve to reinforce economic connectivity and/ or strengthen cultural ties across the oceans, but also collectively represent the reincarnation (re-birth) of Asia's erstwhile rich maritime heritage, and thus bear strong geopolitical ramifications.

China and India would need to develop these concepts together to attain their rightful place in the global order. It may be recalled that half a millennium ago, the two countries led the world in nearly every domain of human endeavour and together contributed to one-fourth of the world's combined Gross Domestic Product (GDP).

It is also necessary for us to recognize the fact that a navy plays a major role for their country as an instrument of foreign policy. The humanitarian missions and stability operations undertaken by navies also enable the countries to fulfill their international commitments. One may call it by any name – either 'Common Public Good at Sea' (CPGAS) or 'Military Ops other than War' (MOOTW). China and India would need to facilitate this role of each-others' navies in the Western Pacific and the Indian Ocean respectively. In this context, it may be recalled that during the Annual Defence Dialogue (ADD) held in Beijing in April 2015, the representatives of the two had discussed a reciprocal arrangement of providing rest and recuperation facilities.⁹

In the Indo-Pacific region, the responsibility of providing CPGAS has traditionally been shouldered by the naval forces of the United States

(U.S.), whereas the regional countries – beset by capacity constraints of their maritime forces – have adopted a ‘free-rider’ approach. This reality has compelled the regional multilateral organisations to accept the so-called ‘inclusive approach’ to security, wherein ‘inclusion’ refers primarily to U.S. and the U.S.-led ‘coalition of the willing’. This has led to a skewed geopolitical environment in the region. In such a scenario, the involvement of India and China as resident naval powers will serve better, including to prevent dominance of a monolithic group of extra-regional western powers. China and India could even facilitate the involvement of Russia under the BRICS (Brazil-Russia-China-South Africa) banner.

However, if China and India were to be able to act in consort to achieve these common objectives, the resolution of outstanding border dispute would be essential for China to attain access to the Indian Ocean to support its naval forces in the IOR that are engaged in furthering China’s foreign policy in the IOR. This would be in the broader interest of India and the IOR countries in general, since China would be able to play a greater role in the Indian Ocean Rim Association (IORA) and the Indian Ocean Naval Symposium (IONS), temper the dominance of monolithic extra-regional powers (the U.S. and its allies) and even shape policy in IOR’s multilateral institutions.

Conclusion

The resolution of outstanding border dispute between China and India, and tempering of the former’s strategic and defence ties with Pakistan are not merely essential for building trust, but to realize the full potential of China’s plans to attain direct access to the Indian Ocean and to cooperate with India at sea. At least a demonstrated will on part of China to address these Indian concerns and symbolic gestures such as enhanced diplomatic communications and India’s membership of global institutions like the UN Security Council and the Nuclear Suppliers’ Group (NSG) would contribute significantly to build mutual confidence.

It is possible that even without addressing these two key areas of concern to India, given the imperatives of good neighbourly relations, the Indian leadership may be able to forge cooperative maritime ties with China. After all, the Indian Navy and the PLA Navy have been coordinating their counter-piracy missions in the Gulf of Aden since 2008. However, unless these two essential prerequisites are fulfilled, the leadership will tend to perceive their interface at sea through the 'zero-sum' rather than a 'positive-sum' lens, and any cooperation would not be substantive and meaningful, only a superficial measure, which could, at best, lead to improving 'atmospherics', and possibly an incremental confidence building.

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About the Institutions



The National Maritime Foundation (NMF)

The genesis of the National Maritime Foundation lies in a long-felt need to redress India's historic neglect of its maritime security domain and to fill an acute intellectual void, by providing a common platform for discourse between maritime related institutions, organizations and disciplines, country-wide.

It was also envisaged that the Foundation would provide an open forum for professional debate amongst the sea-going Services; whilst serving to heighten maritime awareness amongst India's policy-makers, intellectual elite and even the lay civil society.

To these ends, the National Maritime Foundation will:

- Accord priority, as an autonomous Institution, to free dialogue and discussion on all issues with a bearing on maritime security and on the formulation of independent policy options to decision makers, in the Gol and the Navy.
- Endeavour to mould public opinion and influence the national security elite on issues where India's vital maritime security interests are at stake.
- Nurture and facilitate study, scholarship and discourse in respect of a broad spectrum of maritime issues, including marine resources, maritime law, maritime history, preservation of the maritime environment and disaster relief.
- Seek to engage foreign institutions, having common interests and commitments, in our immediate neighbourhood and

further afield, and undertake an exchange of ideas with a view to enhancing mutual understanding and cooperation in the maritime field.

All activities of the NMF will be underpinned by the need to continuously sensitise our fellow citizens to the importance of maritime security, remind them of our maritime heritage and to reawaken maritime consciousness, especially amongst India's youth by using the instrumentality of our own resources, out-station chapters, as well as other institutions.



The Hainan Institute for World Watch (HNIWW)

Hainan Institute for World Watch based in Haikou City of Hainan Province, the largest Special Economic Zone in China by the South China Sea, is one of the authorities on Strategic Studies in China.

Established in 2009, HNIWW is taking advantage of the development trend of China and the policy of designating Hainan province as the island for international tourism, to collaborate with individuals and organizations of strategic orientation of the world to build up a global network of cooperation and dialogue on strategic studies for promoting world peace and security.

In viewing the radical changing domestic and international social context of China, ever since the promulgation of the open door policy in 1978, the HNIWW is created with a mission to provide the best information and comprehensive analysis on the global strategic trends of national security, international relations, military and political issues and international business environment to the public and private sectors.

The HNIWW has also unique convening power to facilitate contacts between government leaders, business elites and analysts privately and publicly, to hold strategic dialogue. Furthermore, the HNIWW provides studies as reference to shape the strategic planning and policy making as mandated.

Through dynamic forums, seminars, workshops, educational activities, field study tours, publications and media collaborations, the HNIWW hoping to enhance better understanding between Chinese and foreign key individuals and organizations related to the policy making on the cultural, economic, ethnic, political, religious, social and military issues, and to eventually facilitate a peaceful and secured international order and relationship with all concerned parties.

Underneath the Board of Directors of HNIWW, there are Committees of Research and Development, Administration, Advisory, Auditing and Executive. Administratively, HNIWW has following departments; Administration, Research and Development Center, Information Center, Center for International Strategic Studies, Center for Marine Security and Cooperation, Research and Development Center for the Regional Cooperation.



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