Conclusion: Do rough seas lie ahead?

Sam Bateman
University of Wollongong, sbateman@uow.edu.au

Publication Details
Conclusion: Do rough seas lie ahead?

Abstract
[extract] Strategic overview: China and India are the rising powers of Asia. However, elements of competition are evident in their strategic intentions, and much of this competition seems likely to be played out in the maritime domain, particularly in Southeast Asian waters. Hitherto China and India have operated in their exclusive spheres of interest - India in the Indian Ocean and China in the East Asian seas - but this will change. China is extending its operations into the Indian Ocean, and India into the East Asian seas. How this overlap of strategic interests will develop is a vital question for the Indo-Pacific region generally, and for Southeast Asia in particular.

Keywords
Conclusion, rough, seas, lie, ahead

Disciplines
Law

Publication Details

This book chapter is available at Research Online: http://ro.uow.edu.au/lawpapers/412
Conclusion – Do rough seas lie ahead?

Sam Bateman

Strategic Overview

China and India are the rising powers of Asia. However, elements of competition are evident in their strategic intentions, and much of this competition seems likely to be played out in the maritime domain, particularly in Southeast Asian waters. Hitherto China and India have operated in their exclusive spheres of interest – India in the Indian Ocean and China in the East Asian seas, but this will change. China is extending its operations into the Indian Ocean, and India into the East Asian seas. How this overlap of strategic interests will develop is a vital question for the Indo-Pacific region generally, and for Southeast Asia in particular.

A possible “turf war” between China and India, played out largely in Southeast Asia, has been described as “a sobering aspect of Asia’s international relations”. India is attaching importance to its “Look East” policies that include naval cooperation with Southeast Asian countries. The Indian Navy has deployed naval units to the Pacific Ocean in recent years for port visits and exercises with East Asian navies and the USN, but at the same time, India is concerned about the Chinese Navy entering the Indian Ocean. This move is often viewed as a demonstration of China’s so-called “String of Pearls” strategy, although there are doubts as to whether this strategy actually exists.

There is asymmetry in the way that China and India regard each other. A basic feature is that while India clearly sees China as a threat to its strategic interests, particularly in the Indian Ocean, China does not necessarily see India as a strategic rival. Chinese concerns about India only arise when India appears to be acting in concert with Japan and the United States in moves that it considers are possibly directed at its strategic containment.

Other questions are apparent about the strategic intentions of the two powers. What are India’s strategic interests in the South China Sea? Are they equivalent to China’s interests in the Indian Ocean? Chinese strategic interests in energy security and the security of its supply lines from the Middle East across the Indian Ocean are to some extent understandable, but India’s interests in the Pacific Ocean are not as clear. They have some historical rectitude, but it also appears that India, aided and abetted by the United States, has presumed for itself a
stabilising and balancing role, as a counter to China, in the region. For India to discharge this role, it must move out of its comfort zone in the Indian Ocean and into the Western Pacific.\textsuperscript{5} There is also the presumption that in the longer term, the influence of the United States in East Asia will decline, and India in concert with Japan, must provide the balance to burgeoning Chinese influence.

While the United States has long underwritten the security of Asia, there are doubts about how long this will continue.\textsuperscript{6} The expansion of new powers and questions about the future trajectory of the United States and its relationships with these new powers has created uncertainty in the region. In the present and near term, India is developing as a strategic partner of the United States, particularly with growing naval cooperation, but China continues to be identified by American commentators as a potential adversary.

China clearly feels threatened by the closer relations between India and the United States. As Bronson Percival has noted in his paper, the Sino-U.S. relationship is inherently complex and a challenge for both countries.\textsuperscript{7} This latter trend is reinforced by increasingly more regular stand-offs between American and Chinese naval assets in the seas of East Asia. Relevant incidents include the clash between the ocean surveillance ship, USNS *Impeccable*, and Chinese vessels in March 2009,\textsuperscript{8} and the damage to the sonar array towed by the destroyer USS *McCain* caused by a Chinese submarine in June 2009.\textsuperscript{9}

The expansion of China’s navy and maritime influence more generally poses challenges for Southeast Asian countries, as well as for other countries of the Asia-Pacific region. It is difficult to escape a conclusion that China is driving the substantial arms build-up in the region both directly and indirectly; directly by creating a “security dilemma” for some countries, and indirectly by creating an atmosphere of regional insecurity due to uncertainty over China’s intentions.

A difficult conundrum would arise for Southeast Asian countries if they were forced to take sides between China on the one hand and India, perhaps in concert with Japan and the United States, on the other. Despite India’s assumed role of balancing China, there is no certainty that Southeast Asian countries desire this, or indeed would be prepared to support India in any dispute with China. As Evelyn Goh has noted in an important article, China’s “charm offensive” has been successful, and “East Asian states may be more comfortable with
deferring to a strong China than others might think”.\textsuperscript{10} Either way, the strategic risks of competition between China and India are high and the Southeast Asians would wish to avoid at all costs having to make such a choice. They prefer a broader, multi-dimensional strategy that involves closer economic relations, dialogue, cooperation and military exchanges with all the major regional players, including China and India.\textsuperscript{11}

A major development since the conference in November 2008 has been the rapid improvement of cross-Strait relations between China and Taiwan. The region may soon have to come to terms with the combined maritime strength of China and Taiwan. A resolution of Taiwan’s status within the Chinese political state would constitute “a geopolitically momentous tectonic shift in the Western Pacific”\textsuperscript{12} with a particularly powerful impact in the maritime realm. While Taiwan’s navy is not particularly strong, Taiwan has a strong Coast Guard and many of the other attributes of maritime power, notably large shipping and fishing fleets, a heavy involvement in international seaborne trade, great shipbuilding capacity, and broad maritime zones stretching out into the Pacific Ocean. The political merger of China and Taiwan would significantly strengthen China’s position in the South China Sea, particularly because China would then have access to Itu Aba, which is the largest island in the area with an airstrip and currently occupied by Taiwan.

**Implications for Southeast Asia**

China’s and India’s strategic interests overlap in Southeast Asia. Maritime strategic competition, or even conflict in a worst case scenario, between the two countries would take place largely in regional waters, where Southeast Asian countries have vital economic and strategic interests. However, both India and China have claims to being Southeast Asian countries in their own right; India by virtue of the geographic location of the Andaman and Nicobar Islands,\textsuperscript{13} and China because it is a littoral state to the South China Sea where it has prominent sovereignty claims.

Southeast Asia sits astride major shipping routes between the Indian and Pacific Oceans. These routes are vital both economically, particularly to the countries of Northeast Asia who depend upon them for energy supplies from the Middle East; and strategically, particularly for the United States as the sole global super sea power and increasingly for the rapidly growing regional sea powers, China and India. Southeast Asia is the confluence of the strategic interests of China and India. Maritime safety and security in the region are vital
interests for both countries, and both will increasingly seek a more active role in their provision.

Developments with the Chinese and Indian navies are of particular interest to Southeast Asian countries as these navies are both likely to increase their naval deployments into and through the region in the future. The increased presence of the Chinese and Indian navies in regional waters will add to that of the other extra-regional navies, mainly the United States and Australian navies, which have long had a presence there. At this stage, the Japanese navy has constitutional restrictions on deploying overseas, and the Korean navy has shown little interest in operating much beyond its home waters.

Myanmar is one Southeast Asia country that is particularly affected by competition between China and India. India regards building a close relationship with Myanmar as having great strategic importance. Myanmar is the only Southeast Asian country that has land and maritime boundaries with India. Hence India has concerns about the political regime in Myanmar and China’s strategic moves into the country. The competitive interests of China and India in Myanmar have been evident lately with their increased awareness of the hydrocarbon potential of the waters off Myanmar.

There is a contrast in the approaches of the two countries to building maritime security relationships with Southeast Asian countries. China tends to use “soft power” and has so far made little use of naval forces in promoting cooperation and dialogue. In responding to developments adverse to Chinese interests in the South China Sea, it has deployed additional coast guard forces rather than naval forces. There is increased Chinese preparedness to enter into maritime cooperative activities, including with energy cooperation in disputed areas of the South China Sea. India, on the other hand, has shown a preference for “hard power” strongly promoting naval cooperation in the region with the active involvement of Indian Navy units in joint patrols and exercises with Southeast Asian navies.

These strategic developments and their implications for Southeast Asia pose more questions than answers. Some of the key questions are: While the strategic interests of China and India overlap in Southeast Asia, will this necessarily lead to tension and conflict? To what extent should Southeast Asian countries be concerned about the rising maritime power of China and India? What are the common interests of these countries, as well as other countries in the
region, that might lead to some trust and understanding as the basis for a more stable regional maritime security environment? Does the rise of China and India offer security to Southeast Asia? Can they be security providers and builders of alliances in the same way as the United States has done over the years? Do current regional arrangements and institutions provide an adequate basis for the building of this trust and confidence?

The chapters in this book go some way to answering these questions, but with rather less than full confidence about the answers provided. Particular attention needs to be given to naval developments in the region not just with the Chinese and Indian navies but also with other regional navies and the navies that deploy assets into the region. Submarine proliferation is a development that exhibits some of the characteristics of a naval arms race. The situation is a very dynamic one and as has been evident, even in 2009 to date, it can change quite rapidly.

**Strategic Containment**

There has been a lot of talk in recent years about strategic containment. India feels that with its territorial disputes with China in its northern land border areas, and its perception of a Chinese “String of Pearls” strategy in the Indian Ocean, that it is being locked in by China. Conversely, China feels that it is itself being strategically contained, particularly in the maritime domain, by the growing links between India, Japan and the United States. As Rory Medcalf observes, Australia has drawn back from participation in naval exercises with these three countries for fear of feeding the mythology of a China containment strategy.18

Several of the Japanese and Indian chapters in this work add fuel to the concept of India and Japan balancing China’s naval expansion and providing possible strategic containment of China. As Tetsuo Kotani points out, China’s growing maritime ambitions raise grave concerns for Japan’s sea lane security.19 In October 2008, Tokyo and New Delhi made a joint security announcement to further bilateral security cooperation.20 Such a security strategy is regarded by the two countries as counter-balancing the Chinese “String of Pearls” strategy.

Mike McDevitt expresses concern that China is now intruding into a maritime region that has been the preserve of the United States and its allies for many decades.21 He believes it was an implied mission of U.S. forces not to let China’s military power to coerce Asian nations into agreements that they would not be otherwise have been willing to accept. He is concerned about a developing perception that China was gaining the ability to trump American presence
in the region if it chooses to. China aims to have the ability to deny the United States military access to the region so that the United States could not interfere with a PLA use of force to resolve many of its outstanding maritime strategic issues. However, problems will emerge if the United States tries too strenuously to compete with China.

In many ways, these conflicting perceptions of containment and the need for balancing are the root cause of strategic uncertainty in the region, and the tension that is most evident between China and India. They are not helped by some lack of transparency in the strategic intentions of the two countries. As the 2009 Australian Defence White Paper points out, there is a developing picture of strategic uncertainty with the primacy of the United States increasingly being tested, changed power relations and the possibility of confrontation in the longer term between major powers of the region – the United States, China, India, Japan and Russia. It believes that it would be premature to judge that war among states, including the major powers, has been eliminated as a feature of the international system. In noting that shows of force by rising powers could become more common as their military capabilities expand, the Australian White Paper could have India in its sights almost as much as China.

**Naval Developments**

Much of the additional defence spending in the region has gone towards naval capabilities: ships, submarines and aircraft. It should be of concern to Southeast Asian countries that in the future, there will be more ships, submarines and maritime aircraft operating in relatively confined regional waters, some areas of which include sovereignty disputes and unresolved maritime boundaries. Increased military activity at sea increases the risks of an unfortunate incident between naval forces. The management of these risks requires a fresh look at preventive diplomacy and confidence building in the maritime domain. There is a need for contingency plans for managing a naval crisis, such as the detection of an “intruder” submarine in waters under the sovereignty of a coastal state, or a naval stand-off in an area of disputed sovereignty. However, as Kwa Chong Guan notes, despite the desirability of Avoidance of Incidents at Sea (INCESA) agreements or similar arrangements, establishing them to cover current circumstances in Southeast Asia will be difficult.

A key question for the regional naval balance is whether we are seeing the emergence of cooperative or competitive naval strategies. The high level of naval exercising, as well as the efforts by the United States to build naval coalitions of friendly nations primarily to combat
the threat of terrorism, would suggest cooperative strategies, but other developments point to a degree of competition. Submarines, in particular, are a non-cooperative and highly competitive weapon system. While most navies, including the Chinese Navy, stress that their capabilities are being developed for defensive purposes, it is very difficult, as Norman Friedman observes, to differentiate offensive from defensive capabilities.26

The trends for the future with naval capabilities will probably be more of the same. We are likely to see growing fleets of major surface combatants and submarines. Anti-ship missile capabilities and maritime patrol aircraft are possible capability “gaps” to be filled in the future. The proliferation of submarines in the region will lead to greater attention being given to anti-submarine warfare (ASW), as well as increased oceanographic surveying to provide data for safe submarine operations and ASW.

**China**

China has been increasing its defence budget in recent years by up to 20 per cent per annum, and has recently become the second biggest defence spender in the world after the United States. In relative terms, the PLA-N has been the main beneficiary of increased defence budget allocations. China is now proceeding to acquire an aircraft carrier capability. This would accord with China’s aspirations to become a major regional blue-water sea power. The naval planners in Beijing justify these developments on the basis of China’s extensive and growing maritime interests, including the lingering problem of Taiwan and the sovereignty claims in the South China Sea, and increasing dependence on energy imports.

While global and regional “flag waving” deployments of Chinese naval vessels have increased in recent years, China has so far not used its naval forces in any overt way to promote Chinese naval power and influence in Southeast Asia. The plans to build a nuclear submarine base in Hainan promoted a strong reaction from India but Southeast Asian countries seem more relaxed about this development. As Li Minjiang notes in his chapter, many analysts who focus on the growth of China’s naval power tend to develop negative views, predicting that its growing naval power will destabilize the region in the future. He argues that it was possible to arrive at a more balanced and arguably more accurate understanding of China’s maritime strategy and policy. He notes that some of the biggest obstacles to China-U.S. military exchanges include American perceptions of the “Chinese military threat”, as well as the Chinese belief that the United States intends to foster the strategic encirclement of China. There remains insufficient
strategic trust between China and other major powers in East Asia, particularly Japan and India, although as has been noted, Southeast Asian countries may be more accommodating.

**Japan**

Japan is the one regional maritime power whose actions are not open to criticism with regard to its involvement in the Southeast Asian maritime domain. Its naval vessels occasionally pass through the region en route to the Middle East, but any deployments to the region itself are by units of the Japan Coast Guard providing capacity-building assistance to regional maritime security agencies. Japan’s defence spending has not increased over recent years, and it has also dedicated much effort to cooperate and assist Southeast Asian countries in enhancing the safety and security of sea lines of communication (SLOCs) in the region.

**India**

India has long had the most powerful regional navy in the Indian Ocean, but is now seeking to extend its maritime influence eastwards. India’s role in the region has been boosted by the developing strategic relationship with the United States that includes a strong naval dimension. Regular exercises are taking place between the U.S. Navy and the Indian Navy including in the Western Pacific. India has been very proactive with naval diplomacy in recent years, including with naval ship visits to ports in East Asia, participating with the USN in exercises in the Pacific and in hosting the Indian Ocean Naval Symposium (IONS). India also has a large Coast Guard that has primary responsibility for policing in the EEZ. India could follow Japan’s example and use the coast guard as an instrument of “soft power” to engage in maritime cooperation in Southeast Asia, but so far has chosen not to.

While China and India will both have nuclear submarines and aircraft carriers in the future, they are both currently lacking in capabilities to sustain “blue water” naval power away from their home bases. Norman Friedman in his chapter explains the importance of endurance or sustainability in naval operations. Without, aircraft carriers or underway support ships, warships cannot be replenished with fuel, ammunition and other stores. Bases in foreign countries are a poor substitute for underway support due to uncertainties of access and difficulties in maintaining adequate supplies of specialised needs, such as spare arts and ammunition. These will all be major problems for China and India as China contemplates operations in the Indian Ocean and India in the Pacific. These deficiencies are appreciated in China with the naval commander-in-chief stating in April 2009 that “the navy will greatly
strengthen its logistics and support facility system to improve far-sea repair, delivery, rescue and replenishment capacities”.

The Indian Navy currently has three fleet replenishment ships in service while China has about twice that number.

A naval arms race in the region?

There is increasing debate about whether there is a naval arms race in the region. On the hand, people argue that the growth in regional navies and naval activities is part of a process of modernization and the doctrinal shift from internal security to maritime security. However, in many ways, the naval build-up goes beyond modernization with navies adding significant new capabilities they did not possess previously. This change has been in the pipeline over two decades or more ever since regional countries started experiencing strong economic growth, along with increased awareness of the need for capabilities to protect maritime interests, such as offshore sovereignty, resources and shipping routes.

On the other hand, there are arguments that a naval arms race in developing in the region with China often being seen as the trigger for the race. China’s naval force expansion plans may be an explanation for the acquisition of new missile destroyers in South Korea and Japan. China’s submarine basis on Hainan may well have spurred an “arms race” type reaction from India.

Cooperation and Confidence Building

Several chapters in this book suggest that the necessary trust and understanding, which would provide a basis for a more stable regional maritime security environment, is currently lacking. As Park Chang Kwoun points out, maritime security in region shows a mixture of cooperation and aggression. Parties to opposing territorial claims might agree on peaceful settlement of the dispute, including possibly going as far as negotiating some form of joint development, but they firmly maintain and assert their sovereignty over offshore islets. Such maritime disputes remain the greatest barrier to the development of effective maritime security cooperation in the region.

The naval buildup in the region increases the uncertainty of maritime security. Without trust and transparency, this environment can lead to the classic “security dilemma” with a steady and progressive trend towards stronger naval forces. There is an increasingly urgent need for measures to enhance the transparency of naval plans and build mutual trust. At the Shangri-La Dialogue in 2009, Singapore’s Deputy Prime Minister and Defence Minister Teo Chee Hean called for greater transparency about military armaments to help avoid
misunderstandings and increase trust and confidence in the region, but went to note that this transparency must go beyond being open about military acquisitions to include declarations of strategic intent and security concerns.

Rear Admiral Chauhan points out in his chapter that maritime security challenges in the region can only be met through a regionally inclusive process of cooperative security. This is the approach of the Indian Navy that views constructive engagement as the primary means of achieving and assuring mutually beneficial maritime security, stability, safety and consequent collective economic prosperity. There is little true maritime security cooperation in the region at present, except in the Malacca and Singapore straits, but even that has limitations. The bilateral sensitivities between regional navies remain strong. The so-called joint patrols are largely for “show”, and are too occasional and limited in nature, to be regarded as an effective contribution to regional maritime security although clearly they do help with confidence and trust building.

India-China maritime cooperation is a positive development that may help to dampen down the risks of conflict at sea. Both countries have clear common interests in maritime security, that could support cooperative endeavours, but unfortunately power politics appear to get in the way of genuine cooperation. Mutual trust is very hard to develop.

**Looking to the Future**

While the strategic aspirations of China and India overlap in Southeast Asia, there might be adequate space for both maritime powers to grow simultaneously with sufficient tasks and interests to provide a basis for cooperation and dialogue. This will be assisted by the indications that Southeast Asian countries are prepared to adopt an even-handed approach between the two increasingly more powerful players in the region. Thus in answer to the first two questions posed by Admiral Arun Prakash in his introduction to this book, it does not have to be a zero sum game in which one country gains advantage to the disadvantage of the other, and despite the overlap in aspirations, it should be possible to prevent the situation from becoming a conflict. Nevertheless in answer to his third question, Southeast Asians still have cause for concern about the potential for their region to become the focus of the overlapping aspirations of China and India.
There is much debate in the region at present about regional security architecture that would provide a political framework for addressing the difficult issues raised in this book. However, little progress has been made with reaching agreement. As Raja Mohan observes in his chapter, even the process of institution building is subject to power politics.42

Effective institutions for managing regional maritime security and providing the necessary transparency and dialogue are currently lacking. The Western Pacific Naval Symposium and IONS are useful forums, but they are navy-centric and unlikely to take any initiative that might lead to critical scrutiny of naval budgets, objectives or operations. The ASEAN Regional Forum (ARF) has made a start by establishing an Inter-Sessional Meeting (ISM) on maritime security, but this forum may be similarly restrained and suffer from the same limitations that have inhibited its parent forum.43

There is an evident need for increased regional thinking and research on relevant issues. Increased regional expenditure on defence should be of serious concern. It has a high opportunity cost, particularly for poorer countries, in terms of diverting resources from important programmes for economic development, social improvement and poverty alleviation. There is also the notion that increased defence spending in the region is driven at least in part by the supply side with American, European, and Russian defence firms aggressively seeking new customers following the drying up of their domestic markets.44

Increased defence spending creates an environment of increased military activity that is potentially destabilising with greater numbers of aircraft, warships, submarines and armoured vehicles. The situation in the maritime environment is of particular concern with more ships, submarines and maritime aircraft operating in relatively confined regional waters some areas of which include sovereignty disputes and unresolved maritime boundaries. Increased military activity at sea increases the risks of an unfortunate incident between naval forces. More effective arrangements to reduce these risks are a pressing requirement, including water space management and prevention of mutual interference agreements that recognise the risks associated with submarine proliferation in the region.45

The establishment of an Asian Peace Research Institute (APRI) might be considered. This would be an independent institution with close links to relevant international agencies such as the UN Institute for Disarmament Research (UNIDIR) and the Stockholm International Peace
Research (SIPRI). The 2008 annual report from SIPRI includes a strong call to arms control predicting that the next two years will see a broadening consensus around the world that more serious and effective arms control and disarmament measures are required.\(^4\) As we move further into the Asian century, it is essential that Asia participate in this dialogue. An APRI would help develop regional views on key issues, including transparency, preventive diplomacy in potential areas of conflict, and particular confidence and security and building measures. Maritime-related measures would be high on its agenda.

**Conclusion**

It is difficult to escape from a pessimistic conclusion to this collection of papers. Desirable levels of trust and understanding between the rising maritime powers of Asia, not just China and India but also Japan, Korea and Russia, are currently lacking, and present frameworks appear inadequate for developing these qualities. A huge geopolitical change is impending with the rise of China and India, and the implications may not have been fully appreciated as yet. This trend begs for more attention than it is receiving at present, but present institutions and frameworks do not appear up to this task.

National and international interests in maritime security in Southeast Asia are both diverse and potentially divergent both within the region and between regional countries and the major players outside the region. Several chapters in this work show how finding common interests to promote cooperation will be very difficult. While there are divergent interests, there are real risks of competitive maritime strategies emerging and potentially fuelling naval arms races.

Competition and rivalry between China and India seems likely to continue as sources of instability and insecurity in the region. Inevitably by virtue of geography, Southeast Asia is enmeshed in this dilemma as the spheres of influence of the rising naval powers largely overlap within its geographical limits. The mitigation of the risks requires more attention to preventive diplomacy and maritime confidence and security building measures, including greater transparency with regard to naval operations and exercises.

The Asia-Pacific maritime scene is very active at present. Naval activity levels are high and naval budgets continue to grow with many regional navies moving into more advanced capabilities and larger warships than they operated previously. The dynamic nature of the
regional maritime security environment has been demonstrated in 2009 by the rapid improvement in cross-Strait relations and by the deterioration of the situation with North Korea.

The waters of Southeast Asia are likely to see increased numbers of surface warships, submarines and maritime aircraft in the years ahead. While these developments are largely in response to a feeling of increased maritime insecurity, the developments themselves also have potential to add to insecurity in the region. This is all part of the well-known security dilemma, and regional forums, such as the ARF, will be challenged in the future to address these spiralling naval force developments. Furthermore, some of the new capabilities, particularly submarines, are not well suited to processes of cooperation and confidence building that might be considered.

Initiatives to restore some optimism in the situation might be taken at two levels. First there are the actions that navies might take themselves, including the more active pursuit of confidence building measures that might reduce the risks of naval clashes getting out of hand. The objective of all parties should be a more stable regional security environment in which countries do not feel compelled to continually expand their naval budgets. To the extent that navies engage in confidence building, they might be working themselves out of a job! Secondly, at the political level, the dangers of the current situation should be given greater attention, but so far realist politics and self-interest have prevented this from occurring. Greater transparency is required and this might only occur through the work of an independent institute such as that suggested above.


The first meeting of this group was held in Surabaya, Indonesia, in March 2009.

