CHINA’S STRATEGIC AMBITIONS IN THE INDIAN OCEAN REGION, INDIA’S ANXIETY AND THE UNITED STATES’ CONCERNS

Jatswan S. Sidhu and Roy Anthony Rogers

ABSTRACT

Concomitant with China’s rise as a major economic powerhouse over the last few decades has been its greater presence around the globe. More so is in the area of the maritime domain where China is currently competing with both global and regional powers for greater access such that is has successfully created what is known as the Chinese ‘string of pearls’. While Beijing has constantly argued that its activities are peaceful and aimed at securing its Sea Lines of Communication (SLOC) and ensuring its trade, commerce and energy security, however, not all the global and regional players are convinced. Over the last two decades, China has been pushing for greater access and presence into the Indian Ocean region such that it has created much uneasiness and anxiety in New Delhi and Washington. The aim of this article is therefore to analyze Chinese activities and strategic ambitions in the Indian Ocean region. While the Chinese policy of creating its string of pearls is not solely confined to the Indian Ocean region alone, this article will, however, focus on the said ocean for at least three reasons. Firstly, the Indian Ocean is important for it serves as the bridge between Asia and the world, and secondly, it has witnessed heightened Chinese activity over the last decade such that it is indeed one of China’s major focal point on the global stage. Last, but not least, it has also became, to some extent, a pawn in the rivalries between major global and regional players, namely the United States (U.S.), China and India. Apart from that, this article will also consider Chinese activities in the states of the Indian Ocean region, namely Myanmar, Bangladesh, Nepal, Pakistan, Sri Lanka, Maldives, Seychelles and Mauritius. This is followed by a discussion on the Chinese official position and rationale in creating its
string of pearls in the Indian Ocean region. Further afield, the article will analyze the reaction from India as well as its growing uneasiness and anxiety towards Chinese activities in what it has long considered its own backyard. Last, but not least, this paper will also deliberate on the United States’ perception and reaction to Chinese activities in the Indian Ocean region.

Keywords: India, China, United States, Indian Ocean, String of Pearls

INTRODUCTION

The rapid economic rise of China over the last three decades has also witnessed an upsurge in Chinese military expenditure aimed at modernizing its armed forces. Chinese President, Hu Jintao, confirmed this in a speech to the Chinese Communist Party (CCP) Congress on 8 November 2012, when he stated that:¹

Building a strong national defense and powerful armed forces that are commensurate with China’s international standing and meet the needs of its security and development interests is a strategic task of China’s modernization drive.

All the same, there has also been increased Chinese presence all over the world. It presently has significant investments and economic relations with many countries and regions, namely Africa, Latin America as well as South, Southeast and Central Asia. On another front, the military and economic rise of China has also seen heightened competition for the global maritime domain, culminating in China creating its ‘string of pearls’, sprawling from the South China Sea into Africa. While on the one hand, Beijing has consistently claimed that its intentions are purely economic, namely to secure its sea lines of communication (SLOC), and primarily aimed at guaranteeing its economic growth. On the other, some major powers, especially India and the United States (U.S.), have casted serious doubts over China’s hidden long-term geostrategic ambitions.

What further complicates matters and arouses suspicion relates to China’s hidden defense expenditure that not only lacks transparency but is even often downplayed by Beijing. This was confirmed by a recent report in March 2013, which revealed that China had increased its
defense budget by 10.7 percent to 720 billion yuan (US$116 billion). On this, one source even noted that this recently announced budget does not include its “spending on defense research and development, arms procurement and defense industrial activities.” In addition, Chinese policy-making too lacks transparency and is hardly known to the Chinese public, what more to the outside world. Much of the input for foreign policy decision-making is provided by the Beijing-based China Institute for Contemporary International Relations (CICIR) that is “a tightly guarded government-run facility… which analyses foreign affairs and directly advises China’s leaders.”

Coupled with this is information revealed from a secret memorandum some fifteen years ago, that quotes the Director of the General Logistic Department of China’s People’s Liberation Army (PLA) as saying that “we can no longer accept the Indian Ocean as only an ocean of the Indians… We are taking armed conflicts in the region into account…” By the same token, the establishment of bases overseas has also been advocated by a leading Chinese academician, Shen Dingli, a professor at Shanghai’s Fudan University. He argues that China must develop a blue-water navy and establish military bases overseas, not as a measure to counter non-traditional security threats such as piracy and terrorism alone, but even states that have the capability to block China’s SLOC. He asserts that “setting up overseas military bases is not an idea we have to shun; on contrary, it is our right.”

China’s string of pearls comprise of the latter’s SLOC sprawling from the Chinese mainland to Port Sudan and which runs through several choke points that include the Strait of Malacca, Lombok Strait, Strait of Mandeb and Strait of Hormuz. These constitute a host of ports around the world where the Chinese have gained a strategic foothold by developing port facilities, providing aid, pouring in investments and assisting the respective countries in infrastructure development. To name a few: Sittwe (Myanmar), Chittagong (Bangladesh), Hambantota (Sri Lanka), Maroa (Maldives), Gwadar (Pakistan), Lamu (Kenya) and Port Sudan. However, in the Indian Ocean region, Chinese activities are not merely confined to its bilateral relations with the respective countries in the region but even include its mining activities in the ocean. It currently has the approval of the International Seabed Authority (ISA), obtained in July 2011, to explore and mine deposits
of polymetallic sulphide ore in 10,000 square kilometers of the seabed of the southwest Indian Ocean. While the Chinese Foreign Ministry has stated that its exploration activities are to “serve the common interest of mankind”, it has, however, raised concerns in New Delhi and capitals of major Western states. According to one source, “China has been working to expand its influence in the region in a strategy that has been dubbed as “string of pearls”, prompting concern from India and raised eyebrows in Western capitals.”

MYANMAR: A CHINESE CLIENT STATE?

While most Western states shunned and isolated Myanmar (formerly Burma) in the aftermath of its brutal crackdown on pro-democracy demonstrations in the country in 1988, China, on the other hand, seized the opportunity to forge closer links with the country’s military junta. As a result, China not only became Myanmar’s biggest supplier of military hardware, but even began acquiring large natural gas and oil concessions in the country, in addition to increasing its economic presence.

At least till 2011, China was Myanmar’s major ally such that some even regarded the latter as the former’s client state. While since the unfolding of reforms in Myanmar, the former appears to be distancing itself from China, nonetheless, the latter’s extremely close relations with Yangon existed for almost more than two decades. It was during this period that heightened Chinese activity was reported in Myanmar, especially its delivery and alleged operation of signals intelligence (SIGNIT) equipment on a number of Myanmar’s islands, namely the Great Coco, Ramree, Hainggyi, Monkey Point and Zadetkyi Kyun.

In addition to this is China’s involvement in the development of Myanmar’s Kyaukpyu deep-water port which links its oil pipeline into Mainland China. This pipeline, a joint venture between the China National Petroleum Company (CNPC) and Myanmar Oil and Gas Enterprise (MOGE) and costing some US$2.5 billion, runs for some 962 kilometers (620 miles) and connects Kyaukpyu, on the western coast of Myanmar’s Rakhine State, with Kunming in China. It not only allows China to bypass the Strait of Malacca and cuts shipping distance by 1,200 kilometers but would also eventually cater for the
passage some 20 million tones annually or 240,000 barrels of crude oil per day. When the pipeline began operations in July 2013, one Chinese source was quoted as saying that it “has great strategic significance for China’s energy diversification and energy security.” Likewise, China is also constructing an 810-kilometer railway line along the pipeline, which connects Ruili in China’s southwestern Yunnan province with the Kyaukpyu Port. Apart from ensuring China’s energy security, the Kyaukpyu Port definitely provides China with greater access and leverage over the Bay of Bengal and even the Strait of Malacca, as well as the Indian Ocean in general.

**BANGLADESH: RECTIFYING ANUNEVEN RELATIONSHIP WITH INDIA**

Although in the early years of its independence, Bangladesh’s relations with China had not been cordial, nonetheless, since 1975, relations between both have improved tremendously. In fact, during Bangladesh’s 1971 war of independence, China not only threw its support behind Pakistan, but in 1972, even exercised its veto power as permanent member of the United Nations Security Council (UNSC), to block Bangladesh’s admission into the United Nations (UN). Nevertheless, both countries began developing friendly relations from 1975 onwards, eventually leading to the exchange of diplomatic missions in 1976.

Since then, successive governments in Bangladesh have pursued the policy of fostering close relations with China, partly as a means to counter balance Indian influence in the South Asian region and its own uneven relationship with India. Whilst on the one hand, Bangladesh began distancing itself from India, on the other, it moved closer into the Chinese orbit. As a result, Bangladesh has eventually become one China’s staunchest ally in the South Asian region, apart from Pakistan. The testimony of this closeness was evident in 1984, when in a speech to the Chinese legislature, President Zhao Ziyang, noted that Bangladesh was one of the “five friendly countries in Asia.”

Further and by the mid-1980s, relations between both moved to greater heights when close commercial links were established and China began supplying military aid to Bangladesh. Not only did trade and commerce between both expand rapidly but even military
cooperation. As a result, by the 1990s, Bangladesh emerged as one of China’s top three recipients of arms exports, alongside Pakistan and Myanmar. Ever since, Bangladesh’s army has been equipped with Chinese tanks, frigates and missile boats, as well as fighter jets. In 2002, Bangladesh even adopted a ‘Look East’ policy aimed at further cementing relations as well as maximizing economic and strategic gains with countries in the east, especially China. In the same year, both countries also signed a Defence Cooperation Agreement by which China provides military training and assistance in defense production to the Bangladesh army.

In terms of trade, Bangladesh is currently amongst China’s major trading partners in the South Asian region – albeit the trade being in favor of China. For example, in 2002, while Chinese exports to Bangladesh stood at US$64.2 million, on the other hand, Bangladesh’s exports to China were a mere US$16 million. Nonetheless, by 2005, China surpassed India for the first time, to emerge as Bangladesh’s number one source of imports. Further, in 2008, Bangladesh constructed an anti-ship missile launch pad not far from the Chittagong Port with Chinese assistance. In addition, in 2010, China allocated some US$8.7 billion to Bangladesh for the purpose of port development in Chittagong. This immediately created concerns in New Delhi over Chinese interests and intentions in Bangladesh. In a defiant mood towards India, Bangladesh’s Foreign Minister, Dipu Moni, was quoted as saying that “it is not true that if we have good relations with India, we cannot build up a relationship with China.”

Taking into account Bangladesh’s deep engagement with China over the decades, it is obvious that while India had a footprint in the country in the past, at present, China have gained a greater foothold in Bangladesh.

NEPAL: A DELICATE YAM BETWEEN TWO BOULDERS

Official diplomatic relations between Nepal and China were established on 1 August 1955 and ever since have grown to include frequent high-level visits from both parties, increased trade and commerce as well as an upsurge in Chinese aid and investments in the former. In fact, during the monarchy rule in Nepal till 1990, the Nepalese king had frequently played the China card against India, as a means to counter-balance the latter’s influence in the country.
For India, Nepal unceasingly remains of immense geostrategic importance, primarily acting as buffer zone between it and China. Indian Prime Minister, Jawaharlal Nehru, recognized this in 1950, when he reiterated that:22

From time immemorial the Himalayas have provided us with magnificent frontiers. We cannot allow that barrier to be penetrated because it is also the principle barrier to India. Therefore, as much as we appreciate the independence of Nepal, we cannot allow anything to go wrong in Nepal or permit that barrier to be crossed or weakened, because that would be a risk to our own country.

On the other hand, for China, Nepal’s strategic importance also figured primarily in Mao Zedong’s ‘five fingers policy’. In fact, Nepal is one of the five fingers, alongside Ladakh, Bhutan, Sikkim and Arunachal Pradesh that acts as buffer zones between China and India.23 In fact, Nepal’s peculiar position sandwiched between the two major Asian powers was even recognized as far back in the 18th century by King Privithi Narayan Shah (r. 1768-1775) when he stated that the country was a “delicate yam between two boulders.”24

As far as trade is concerned, although it has been increasing in recent years, however, the trade balance very much favors China. In addition, China is also the top foreign investor in Nepal and as of July 2012 alone, it was involved in some 428 projects worth Rs. 7860 million. All the same, Chinese tourist arrivals in Nepal have also increased such that in 2012 alone some 42,518 Chinese tourists visited Nepal.25 In December 2011, it was reported that Nepal was anticipating accepting some US$3 billion worth of Chinese investments. Moreover, there is already the Friendship Highway that cuts across the Himalayas and connects Lhasa in Tibet with Kathmandu. Apart from upgrading the highway, it was also revealed that the Chinese were already constructing a railway link connecting both cities. Further afield and during a visit to Nepal by Chinese Primer, Wen Jiabao, the Chinese government announced a US$120 million grant to Nepal under a new bilateral Agreement on Economic and Technical Cooperation.26
While on the one hand, China is providing Nepal with generous loans and grants as well as an array of official assistance through its cheque-book diplomacy”, India too has intensified its efforts to court Kathmandu. In connection, one source even commented that:

Nepal has become a very interesting space where big players are playing at two levels. One is their relationship with Nepal. And the second is the relationship between India and China.

**PAKISTAN: AN ALL WEATHER RELATIONSHIP**

Although Pakistan was initially a staunch supporter of the United States’-led anti-communist camp during the Cold War, nonetheless, it was during the India-Pakistan War of 1965 that China seized the opportunity to establish closer relations with the former. Since 1965, China-Pakistan relations have grown significantly in many areas such that it has been consistently viewed with skepticism by Indian policy makers. More importantly, both China and Pakistan have fought wars with India, thus making them the latter’s bitter rivals.

Beginning from the 1960s, China not only provided Pakistan with interest-free loans but even military hardware. Further afield, in the 1970s and 1980s, China began assisting Pakistan in its nuclear program and provided missile assistance to the country. On China’s sale of military hardware to Pakistan, Malik asserts, “no other Asian country has armed another in such a consistent manner over such a long period of time as China has armed Pakistan.”

Aside Chinese gains in commerce and trade in Pakistan, of great concern to New Delhi is Chinese assistance in the construction of the Gwadar Port in Baluchistan, Pakistan, costing some US$1.18 billion. Although the Port Authority of Singapore (PSA) had earlier managed the Gwadar Port, in June 2013, the China Overseas Ports Holding Company assumed control of it. Besides serving as a downstream hub for Chinese pipelines connecting the Central Asian natural gas fields through Afghanistan, the port also undoubtedly provides China with a strategic foothold in the Indian Ocean region, the Arabian Sea as well as the Persian Gulf. China’s involvement in this port has created much attention mainly due to its strategic location, situated some 70
kilometers from Iran’s border and 400 kilometers east of the Strait of Hormuz. In addition, it has also been suggested that the port would provide China with a ‘listening post’, thus enabling it to monitor closely movements in the extended Indian Ocean region.29

Frequently described as an ‘all weather relationship’ between both, while Pakistan serves as China’s launching pad at making inroads for deeper penetration into the South Asia region, Pakistan, on the hand, utilizes China as a regional counterweight to India and the United States. On the closeness between both, Pakistan’s newly elected Prime Minister, Nawaz Sharif, was recently quoted as saying that “our friendship is higher that the Himalayas and deeper than the deepest sea in the world, and sweeter than honey.”30

SRI LANKA: HAS INDIA LOST GROUND?

While Sri Lanka was amongst the first few countries to accord recognition to the People’s Republic of China (PRC), nonetheless, ties have ever since grown and even become stronger. The testimony of this is the frequent exchange of high-level visits from both sides that has manifested into a number of agreements, aimed at enhancing bilateral cooperation in various fields, namely economic, technical and military. For example, in 2007, both countries signed an investment promotion agreement, aimed at increasing Chinese investments in Sri Lanka’s special economic zones. In fact, China’s Huawei Technologies has not only made substantial investments in Sri Lanka, even all of the country’s telecommunications companies have agreements with the Chinese company. All the same, both China and Sri Lanka also signed a tourism promotion agreement in 2007 such that there has been a significant increase of Chinese tourist arrivals in Sri Lanka.31

In addition, Sri Lanka has also granted oil exploration concessions to the CNPC. Apart from that, China is also assisting Sri Lanka in the area of infrastructure development, namely by constructing two 500 MW thermal plants, a highway and offering technical assistance, aimed at modernizing Sri Lanka Railways. Nonetheless, one of China’s major contributions in the area of infrastructure development in Sri Lanka is the Hambantota Development Project. The project, situated some 240 kilometers south of the country’s capital, Colombo, includes the development of an international container port, a bunkering system,
an international airport, an oil refinery as well as other facilities. Costing some US$1 billion, China is said to be financing 85 percent of the project and when completed it would be Sri Lanka’s major transshipment hub. Additionally, the Hambantota Port would also provide Chinese vessels with refueling and resupply facilities as well as greater access to the Indian Ocean.\(^{32}\)

Coupled with this is Chinese military assistance to Sri Lanka where the former has provided the latter with a host of military hardware that includes ammunition, anti-tank guided missiles, rocket launchers, shoulder-fired surface-to-air missiles, deep penetration bombs and rockets, jets, naval vessels, radars and communication equipment. In fact, when Sri Lanka was criticized for its excessive use of force in its campaign against the Liberation Tigers of Tamil Eelam (LTTE) in 2009, it was China that gave the former diplomatic support in deflecting international censures and sanctions at the United Nations.\(^{33}\)

China has indeed made great strides into Sri Lanka in recent years such that New Delhi has almost totally lost ground in a country which was traditionally an Indian ally. For this, India is largely to be blamed mainly due to its laid back attitude. One source succinctly sums up India’s predicament in Sri Lanka as follows:\(^{34}\)

If there is a guidebook on ‘How to sour relations with neighbours and lose whatever little influence you have’, India is playing it out in perfection in Sri Lanka, yielding ground progressively to China. On land, sea and air – so to speak – India has steadily lost the plot, and the logical beneficiary of India’s maladroit moves is China, which has been quick to fill the vacuum created by India’s diplomatic self-goals… In short, India’s loss in Sri Lanka is China’s gain. China today literally owns Sri Lanka, effectively displacing India’s strategic and commercial interests here [Sri Lanka].

MALDIVES: DIVERSIFYING THE ECONOMY

Although Maldives established diplomatic relations with China on 14 October 1972, however, it remained low-key and insignificant.
Nevertheless, in recent years these have dramatically changed as relations between both have not only become more cordial but even stronger. In July 2001, China managed to establish a naval base in Maroa, some 40 kilometers south of Male, the country’s national capital. Not only have Chinese capital flows into Maldives increased since 2008; even Chinese tourists arrivals have shown a marked upsurge since 2010. In fact, in 2010 alone, some 120,000 Chinese tourists flocked Maldives, thus making it the country’s largest source of foreign tourists.35

In November 2011, China established its embassy in Male, just two days before Maldives hosted a South Asian Association for Regional Cooperation (SAARC) summit, where China has an observer status. At the same, it was also revealed that China was planning to undertake infrastructure development in Maldives, including the possibility of building a submarine base.36

While trade between China and Maldives stood at a mere US$3 million annually about a decade ago, current trade is valued at US$60 million, thus making China the latter’s largest trading partner.37 In December 2012, it was also reported that Maldives had abruptly terminated the contract of an Indian company which was responsible for the management of the Male International Airport. Coincidently, it was also in December 2012 that the Maldivian Defence Minister, Mohamed Nazim, visited China and reportedly stated that his country was “willing to cement relations between the countries and their militaries.”38 To this, General Xu Qiliang, Vice-Chairman of the Central Military Commission of the CCP, responded by asserting “the two militaries should continue to enhance high-level contact, strengthen pragmatic cooperation, expand the scope of cooperation and upgrade military relations.”39 While all along Male have had close relations with New Delhi in the past, the current trend appears to suggest that it is indeed moving closer into the Chinese perigee.

**SEYCHELLES: THE UNSINKABLE AIRCRAFT CARRIER**

A small island state, Seychelles comprises of some 115 small islands, covering an area of 445 square kilometers, and endowed with a vast Exclusive Economic Zone (EEZ), totaling to some 1.4 square
kilometers. It is important to note that the strategic importance of this small country was recognized even during the Napoleonic era when Great Britain gained control over it in 1794. In fact, in 1960, even the United States Admiral Robert J. Hanks, acknowledged the strategic importance of this country when he asserted that Seychelles was an “unsinkable aircraft carrier”, especially when taking into account its proximity to oil sea-lanes and oil producing states. It was under these circumstances that the U.S. had even contemplated building a base at the Aldabra Island in Seychelles in the 1960s. However, the plan failed to materialize and the U.S. subsequently established its base at Diego Garcia.\(^{40}\)

Although China established diplomatic relations with Seychelles in 1976, however, it remained low key and inconsequential at least till 2007, when Chinese President, Hu Jintao, visited the country as part of his eight-nation African tour. It was during this trip that Beijing began signaling its strategic interest towards this small island state such that five major bilateral agreements were signed in the areas of economic and technical cooperation, education and investment promotion. Further, in December 2011, China’s Defence Minister, General Guanglie, visited the country by leading a 40-member military delegation. It was during this visit that China provided the Seychelles Peoples Defence Force (SPDF) with two Y-12 aircrafts for the purpose of surveillance and anti-piracy activities. Besides this, it was also revealed that China was also providing training for 50 SPDF members in conjunction with its military cooperation agreement with Seychelles, signed in 2004. More importantly, it was also revealed that Seychelles offered China a base for its naval vessels deployed in the Gulf of Aden and the western part of the Indian Ocean region, namely to combat piracy.\(^{41}\)

This immediately raised an alarm in New Delhi as Seychelles had been traditionally close to India. In a retaliatory move, New Delhi announced that it was increasing its defense budget by £65 million to beef-up its defenses on its eastern and western border with China.\(^{42}\) The reaction from New Delhi is far from surprising as India has all along maintained close relations with Seychelles and considers the latter as part of its extended neighborhood.
MAURITIUS: THE GATEWAY TO AFRICA

Although official relations between Mauritius and China were only established on 15 April 1972, however, both have shared strong historical ties in the past. In fact, it was in the 1740s when Chinese communities first began arriving in Mauritius from Sumatra, Indonesia. Currently, not only does Mauritius have a significant population of Chinese descent but even host the oldest China Town in Africa. Since the establishment of official diplomatic relations between both, there have been a number of high-level visits from both sides over the last 40 years, including one by Chinese President, Hu Jintao, in February 2009. The close ties between Mauritius and China are even evident when Chinese intervention is occasionally sought to solve local problems. This was confirmed, in 2011, by Ramakrishna Sithanen, the Vice-Prime Minister and Minister of Finance of Mauritius, when he stated, “we were having some difficulties. We called… the president of the People’s Republic of China and we resolved the problem.”

Further afield, cooperation between both have also significantly grown over the last four decades, namely in the areas of economic and technical cooperation. In fact, it can be stated that China has generously provided copious aid to Mauritius for infrastructure development, which markedly began from 1982 onwards. As of 2011, the two major Chinese companies heavily involved in Mauritius were the China State Construction Engineering Corporation (CSCEC) and the Yunnan Dehong International Economic and Technological Cooperation Company. In fact, between 2002 and 2012, China was involved in some 47 official development projects in Mauritius. In 2010, it was also revealed that China had invested some US$700 million in Mauritius for the establishment of a special economic zone, which would include a logistics and services hub, a university and an oceanographic research centre. In its efforts to diversify its economy away from sugar, textiles and tourism to luxury real estate offshore banking and business outsourcing, Mauritius has now began tilting towards China which is providing the much needed aid and assistance.

In terms of commerce, trade between both has steadily grown over the last decade such that in 2007 alone, it recorded a 38 percent increase when compared to 2006. In fact, Chinese imports into Mauritius have trebled since 2003 and accounted for 11.4 percent
of Mauritius’ total imports in 2008. Aside from this, Mauritius has also become a destination for Chinese tourists and the country hopes to attract some two million Chinese tourists by 2015. In its efforts to diplomatically strengthen its sovereignty claims over the Chagos Islands, Mauritius has also sought China’s continued support on the issue. The islands claimed by Britain as well, houses a major United States military base in the Indian Ocean, located at Diego Garcia.  

Mauritius is important to the Chinese as not only does it strengthen China’s grip over the Indian Ocean but even serves as its gateway into Africa – a region where China is also deeply involved.

CHINA’S RATIONAL AND AMBITIONS

Due to China’s rapid economic growth over the last few decades, China is currently the world’s second largest consumer of oil and the world’s third largest net importer of oil such that around 80 percent of its fuel is imported. As such, the security of its SLOC remains of paramount importance to the country as any disruption could deal a heavy blow and derail its rapid economic growth and rise. In other words, ensuring its energy security remains of great concern and of paramount importance to China’s policy makers. As such, China has been fostering close relations with states in the Indian Ocean region as a means to obtain greater access into the region. For this reason, China has been generously providing large amounts of aid, both in cash and kind, to countries in the Indian Ocean region through its ‘cheque-book diplomacy’ approach, which India finds hard to compete with.

In line with this, China has consistently stated that its ambitions and interests in the Indian Ocean region are primarily aimed at making the area a ‘harmonious ocean’. Therefore, Beijing has constantly reiterated that its intentions are peaceful, aimed at merely securing its SLOC and fulfilling the demands of its energy security, trade and commerce. In fact, most Chinese officials and analysts alike have invariably stated that China does not have the capability to maintain military bases overseas and that such claims are highly exaggerated. According to one source:

China’s foreign policy thinkers and political establishment have long sought to convince the world that Beijing’s rise is meant to be a peaceful one, that China has no
expansionists intentions, that it will be a different kind of great power.

In essence, Beijing always quick to deny and counter such adverse claims, aimed at setting the record straight. For instance, when China was given access to naval facilities by Seychelles in 2011, this gave rise to speculation that China would eventually build a naval base. However, Beijing swiftly issued a statement that its activities were peaceful, purely economic and in accordance with standard international practices. It argued that in undertaking its anti-piracy escort missions in the area, Seychelles would merely serve as a resupply port, similar to the facilities that it has in Djibouti, Yemen and Oman. This speculation was probably due to a statement by Jean-Paul Adam, Seychelles Foreign Minister, who was quoted as saying that his government had invited China “to set up a military presence” in Seychelles to combat piracy in the region.51

Further afield and on the possibility of a conflict in the Indian Ocean region, Beijing has also begun shifting the onus on India. It claims that India is not only aggressively developing its blue-water navy but even eventually preparing for a “two front” war with both Pakistan and China. This was revealed in a semi-official Chinese document or “Blue Book” on India, the first of its kind, in April 2013.52 The document also argues that Chinese activities are viewed with great suspicion primarily due to “China threat theory” and the illusory “string of pearls strategy”, proposed by Western countries.53

Nonetheless, according to a 2011 source, based on current evidence there is little to suggest that China’s has future plans to build and maintain military bases along its string of pearls. In fact, with exception of the Hambantota Port in Sri Lanka and the Sittwe Port in Myanmar, the rest of the ports which are considered as being part of China’s string of pearls are also utilized by others. Despite that, it is also important to note that these ports do provide China with the necessary clout and leverage over the countries concerned. Therefore, it is obvious that China has great interest in consolidating ties with countries that are strategically located, especially along its SLOC. On the other hand and for the respective countries in China’s string of pearls, the generous aid provided by Beijing does help in terms of development. It must be remembered that most of these countries
are plagued with problems related to underdevelopment and as such require the necessary assistance. Realistically, these countries have more to gain by pitting one major power against the other, rather than solely depending on one. More importantly, all these countries have also consistently and openly rejected claims that they are providing China with preferential treatment and that China has plans to build military bases. In fact, for its anti-piracy campaigns in the Indian Ocean, China has more frequently utilized Pakistan’s Karachi Port rather than the Gwadar Port.

It was obviously due to India’s reactions, the United States’ concerns and to reduce the anxiety and suspicion of other key states that in August 2011, China signaled its willingness to enter into a dialogue with India, aimed at enhancing cooperation to secure sea lanes in the Indian Ocean. The Chinese State Council’s Development Research Centre issued a statement that “the Indian government should take the initiative to propose a cooperation mechanism on sea-lanes in the Indian Ocean.” Similarly, while implicitly acknowledging that the India Ocean was indeed a part of India’s backward, it also stated, “China cannot initiate such a proposal.” While India could have seized the opportunity to enter into talks with China and lay down the framework for a code of conduct mechanism in the Indian Ocean, the response from New Delhi, unfortunately, was simply lukewarm. In fact, one Indian diplomat was even quoted as saying that “the US and Japan will not support China’s move.”

Nevertheless, this is not to suggest that New Delhi has been all long been silent of the need for a broad-based and inclusive dialogue with China and other stakeholders on the Indian Ocean. For example, in September 2009, Indian National Security Advisor, Shiv Shankar Menon reiterated the need for a dialogue on the Indian Ocean when he was quoted as saying that “Is it not time that we began a discussion among concerned states of a maritime system minimizing the risks of interstate conflict and neutralizing threats from pirates, smugglers and terrorists?” However, despite such calls, both from within and without, it can be argued that New Delhi has been rather slow in responding, often giving the impression of a laid back attitude. For New Delhi, entering into talks with China over the Indian Ocean is probably tantamount to recognizing and legitimizing Chinese activities in the ocean – a position that India would never take.
INDIA’S UNEASINESS AND ANXIETY

It must be noted that India has for long considered the Indian Ocean as part of its own backyard. This was even recognized by the prominent Indian historian, K. M. Panikkar, who in 1945, asserted that:

While to other countries, the Indian Ocean is only of the important oceanic areas, to India it is the vital sea. The Indian Ocean must therefore remain truly Indian.

While prior to 1962, India’s relations with China were premised on the ‘Hindi-Chini Bhai Bhai’ (India and China are brothers) catchphrase, however, since 1962, India has viewed China with deep suspicion. This is mainly due to China’s unilateral declaration of war against India in 1962, resulting in latter’s defeat which changed that view. India’s humiliating defeat in the 1962 Sino-Indian war has deeply stigmatize the thinking of Indian policy makers to the extent that every Chinese move is constantly viewed with skepticism.

Coupled with this is New Delhi’s border dispute with Beijing, namely in India’s northwest and northeast. In India’s northwest, China occupied 38,000 square kilometers of territory in the Aksai Chin plateau in the western Himalayas during the 1962 Sino-Indian war, while in the northeast, China claims some 90,000 square kilometers of India’s Arunachal Pradesh state. Additionally, there are also frequent incursions by Chinese troops into India’s territory. One such incident was in April 2013, when both sides were locked in a three-week standoff due to intrusion by Chinese troops deep into India territory. Further afield is India’s granting of asylum in 1959 to Tenzin Gyatso, the Dalai Lama and Tibetan spiritual leader, who continues to live under Indian protection in Dharamshala – much to the annoyance of China. According to some senior Indian diplomats, all these events leading to India’s bitter relationship with China have, to a large extent, contributed to “a trust and perception deficit” between both the countries.

On another front, it is important to note that India has had a long history of close relations with most, if not all, states of the Indian Ocean region. Although its relations with its bitter rival Pakistan have been sour since 1947 and New Delhi has often ignored Myanmar at least till 1993, its relations with the rest of the states in the Indian Ocean region
had been extremely cordial and close. In fact, it was India that assisted the people of East Pakistan in their endeavor to achieve independence from Pakistan in 1971. Similarly, it was the Indian Armed Forces that were dispatched to Sri Lanka after the signing of the Indo-Sri Lanka Peace Accord in 1987, aimed at finding a solution to the latter’s long drawn insurgency with its Tamils in the north. Coupled with this is the presence of Indian communities in significant numbers in Maldives, Mauritius and Seychelles. Therefore, the states of the Indian Ocean region have been extremely important to the policy makers in New Delhi such that India has even provided fairly large amounts of financial and technical assistance to these states – although by current Chinese standards it is indeed minuscule.

Some of the arguments forwarded on Chinese ambitions in the Indian Ocean region assert that Chinese activities in the said area are mainly aimed at the strategic encirclement of India. In fact, it was against the backdrop of Chinese deep penetration into Myanmar that in 1993, India reversed its policy towards Myanmar under what is known as its ‘Look East Policy’. From one that supported the democracy movement in Myanmar, India altered its policy and began courting the Myanmar junta, albeit the latter’s poor human rights record and failure to democratize. It was clear that India had abandoned its idealistic principles of supporting Myanmar’s democratic forces to one that was premised on its geostrategic imperatives. As a result, India began competing with China for concessions, namely in the oil and natural gas sector, as well as increasing its economic presence in Myanmar.62

As far as going beyond Myanmar in terms of its Look East Policy, India is currently adopting an “asymmetric response” to Chinese presence in the Indian Ocean region. Since 2011, India has begun developing active relations with countries in the South China Sea region with which China has problems, mainly Vietnam and the Philippines. In the same vein, China is also aggressively countering these moves by India in what it considers its own backyard. For example, in August 2011, when an Indian military ship attempted to visit Vietnam, it was stopped by Chinese naval vessels and forced to retreat. Similarly, Beijing made a strong protest when both India and Vietnam jointly undertook efforts to develop an oil field on a continental shelf in the South China Sea that is claimed by China. As a result, New Delhi gave in when the Indian Foreign Ministry advised
its Ministry of Oil Industry to cease its activities on block No. 128 in the South China Sea. In fact, one source notes, “Beijing chafes at Indian oil companies encroaching on what it regards as its backyard in the South China Sea.” Further and to commemorate 60 years of diplomatic relations between India and Japan, in June 2012, the naval forces of both countries conducted joint military exercises in the waters off Tokyo. Though the exercises were small in scale, nevertheless, the message sent by New Delhi to Beijing was a strong one, especially by taking the game into China’s backyard.

Apart from its bilateral activities in the Indian Ocean region, at the multilateral level, China has also been pushing for greater participation in the SAARC. In 2005, with assistance from Pakistan, Bangladesh and Nepal, China managed to obtain observer status in the SAARC. In turn, to counter Chinese influence and dilute its voice within the SAARC, India pushed for the granting of observer status to other states namely the United States, the European Union, Japan, Australia, South Korea, Myanmar and Mauritius. Of late, the SAARC is even considering granting observer status to Turkey. In fact, it was India that played a crucial role in assisting Afghanistan in gaining admission to the regional body in April 2007. All the same, China has also been pushing for full membership in the SAARC—a move that is frequently countered by India. Obviously realizing that its importance had been dramatically reduced within the SAARC, especially by the presence of some nine-observer states, in November 2011, China began making its moves with some SAARC members to initiate a ‘SAARC Plus One’. Modeled on the ‘ASEAN Plus One’ arrangement, this new avenue, if realized, would allow China to hold an annual summit with all the eight SAARC member countries.

One major reason why India has been unable to compete with China in the maritime domain, relates to the fact that while the latter has clear maritime ambitions, in the former this has received much less attention. Despite having a long coastline of some 7,517 kilometers (4,671 miles), which is of course not confined to the Indian subcontinent alone but even includes the Andaman and Nicobar Islands, naval warfare strategy has received far less attention when compared with land warfare in India. This is obviously due to the fact that most of the wars that India had fought, either with Pakistan or China, were confined to its land border regions, thus making land warfare strategy
its primary concern and priority. All the same and unfortunately, it has also resulted in an apparent neglect for a comprehensive naval strategy.

In fact, it was only in 1989 that India started planning for a comprehensive maritime strategy when it published a document entitled *A Maritime Military Strategy for India, 1989-2014*. As such, this effectively became India’s first official document, which recognizes the need and importance of a maritime military strategy. Nonetheless, realizing that the 1989 document was far less comprehensive and failed to address the changing nature international relations as well as Indian policy, New Delhi then embarked on yet another endeavor to chart a maritime military strategy. As a result, in April 2004, the *Indian Maritime Doctrine* was made public and has since become the focal point of India’s new naval strategy. The 148-page document declares:68

> If India is to exude the quiet confidence of a nation that seeks to be neither deferential nor belligerent, but is aware of its own role in the larger global scheme, it will need to recognize what constitutes strategic currency in a Clausewitzian sense.

The document also stresses on India’s “reach, multiplied by sustainability” over the country’s “legitimate areas of interest” which stretches from the Strait of Malacca to the Persian Gulf.69 In addition to this, in 2007, India published yet another blueprint for its naval strategy entitled *The Freedom to Use the Seas: India’s Maritime Military Strategy* which covers a period of 15 years and sets both short and long-term objectives. Commenting on this latest document, one source suggests, “if successfully implemented, the strategy will enable India to efficiently protect its national interests in the oceans and turn it into a great maritime power by 2022.”70

Although on paper it may appear that India currently has a clear and comprehensive naval strategy, aimed at protecting its maritime domain, however, in reality it has a lot of catching up to do when it comes to matching China – for the latter is far in advance in terms of naval strategy, capability and outreach. More so, when taking into account the massive build-up of the People’s Liberation Navy (PLN) over the last decade as well as its global outreach, made possible by its string of pearls. Stressing on the decades of neglect over a
comprehensive naval policy, Kailash Kohli, a former commander of India’s Western Naval Command, stated in 1996 that “history has taught India two bitter lessons: firstly, that the neglect of maritime power can culminate in cession of sovereignty, and secondly, that it takes decades to revert to being a considerable maritime power after a period of neglect and decline.”

In terms of defense spending, India’s annual defense budget is far smaller when compared with China’s. Commenting on the recent announcement by China of its defense budget, one major Indian daily was of that view that “China is taking its national security requirements in a very serious, focused and determined manner which is a contrast to the Indian example. China is focusing on its trans-border military capability and this is of very deep strategic import.” In reality, India’s defense budget for the same period was at US$37 billion, representing a mere one-third of China’s, and although there was an increase of 5 percent when compared with the previous year, it hardly catered for rising inflation.

Put together, Chinese activities in the Indian Ocean region have posed great strategic implications with deep ramifications on India and thrown the country into a security dilemma, for at least two reasons. Firstly, it has not only provided China with an increased foothold vis-à-vis the Indian Ocean region but even a strategic advantage, and secondly, by projecting its power capabilities in the region, China has altered the current maritime military balance. Under siege from practically all directions in the Indian Ocean region, for India it may appear that its strategic encirclement is a reality rather than a mere myth. On this, an Indian Defence Ministry report published in April 2013, noted that Chinese activities posed a “grave threat” to its maritime backyard. More so as in 2012 alone, the ministry had documented 22 “contacts” with vessels allegedly said to be Chinese attack submarines. In fact, the same report also highlighted on China’s growing submarine fleet, which currently stands at 45 vessels when compared to India’s 14 vessels.

THE UNITED STATES’ CONCERNS

Apart from the statement by Admiral Hanks mentioned above, the testimony of the U.S.’ strategic interests in the Indian Ocean region
is best exemplified by its military presence in Diego Garcia – situated some 960 kilometers from Seychelles. Once part of the British Indian Ocean Territory (BIOT), it was on 30 December 1966, leased by Great Britain to the U.S. for defense purposes. The U.S. currently operates a Naval Support Facility (NSF) in the said area.

Like India, the U.S. too is extremely apprehensive of China’s deep engagement overseas and especially in the Indian Ocean region. While the U.S.’ officials do accept the fact that Chinese attempts at creating its string of pearls is purely aimed at safeguarding its SLOC, nevertheless, suspicion of China’s long-term global ambitions remain of great concern. In connection, a 2002 Pentagon report entitled *Energy Futures in Asia* disclosed, “China, by militarily controlling oil shipping lanes, could threaten ships, thereby creating a climate of uncertainty.” The same report also revealed that these moves by China “suggest defensive and offensive positioning to protect China’s energy interests, but also to serve [its] broad security objectives.” The report undoubtedly reflects Washington’s growing anxiety over China’s hegemonic ambitions that are moving too fast thus defying earlier estimates by the Pentagon, and which could eventually undermine regional security and stability.

Partly as a measure to counterweight Chinese presence in the Indian Ocean, the U.S. has been courting India since the end of the Cold War in 1991. Although relations between both were not cordial during the Cold War years, however, it has changed over the last three decades. Of late, the U.S. has been engaging Indian officials so that New Delhi plays a greater and assertive role in the Indian Ocean. On this, in June 2012, Leon Panetta, the U.S. Secretary for Defense, was quoted as saying that “we will expand our partnerships and our presence in the arc extending from the Western Pacific and East Asia into the Indian Ocean. Defence cooperation with India is a linchpin in this strategy.”

Further and obviously aimed at circumventing Chinese deep penetration into the Asian region, in November 2011, President Barrack Obama announced a strategic turn towards the region by stating that “the United States will play a larger and long-term role in shaping this [Asia-Pacific] region and its future.” As such, Washington began moving the bulk of its naval deployments towards the Asia-Pacific
region and the Indian Ocean region, with some 2,500 marines deployed to a base in Australia. While giving his assurance that the move was by no means aimed at isolating China, Obama also conceded that it was mainly due the fact the U.S. had grown weary of China. In addition, he also stressed that the move was in fact a response to the wishes of the U.S.’ democratic allies in Asia, extending from Japan to India. In an immediate response the Chinese Ministry of Foreign Affairs issued statement asserting, “it may not be quite appropriate to intensify and expand military alliances and may not be in the interest of countries within the region.”

On another front and evidently aimed at warding off China’s increased presence and rectifying Indian’s slow moves in the Indian Ocean, it was reported in July 2013, that the U.S. and Maldives were negotiating an agreement known as the Status of Forces Agreement (SOFA). If realized, the agreement would allow the U.S. to use air bases and ports in Maldives, for refueling of its aircrafts and ships, without the prior permission of the Maldivian authorities. In addition, it would also cater for the presence U.S. forces personnel in the country’s territorial waters. On this latest move by the U.S., one source notes, “at present, the U.S. has a military base in Diego Garcia, which is far south in the Indian Ocean. Washington wants to have its presence in the middle of the Indian Ocean region in Maldives to support its operations and counter growing Chinese influence in [the] Asian region.”

**CONCLUSION**

China’s string of pearls policy in the Indian Ocean region has undoubtedly created uneasiness and anxiety amongst Indian policy makers and concerns amongst the Americans, such that its moves in the entire region are always viewed with suspicion. While there are arguments that Chinese activities in the region are purely economic, however, it must be remembered that China has deeply entrenched itself in the area, especially when taking into account its close relations with states in the region. While the current trend of Chinese activities in the region may appear purely for economic reasons, nonetheless, it must be noted that with greater dependency on China, the states of the Indian Ocean region could either be coerced or persuaded to allow for greater Chinese military presence in future. More importantly, in the words of Vice Admiral P. S. Dass, a former commander-in-chief
of India’s Eastern Naval Command, all the facilities and access that China currently has obtained in the Indian Ocean “could be turned into military facilities.” If it is true that China’s string of pearls are aimed at providing it with military superiority over regional and global powers in the long run, then China has obviously began charting its path towards becoming a global hegemon. As was asserted by Sun Tzu that “to fight and conquer in all your battles is not supreme excellence; supreme excellence consists in breaking the enemy’s resistance without fighting.”

Nonetheless and to avoid further anxiety and suspicion of Chinese moves in the Indian Ocean region, India must start undertaking initiatives at entering into dialogue with China as well as the states of the Indian ocean region as a move to eventually create a mechanism for a code of conduct. This undoubtedly must also include the other major powers as well. Nonetheless, as India has for long claimed that the Indian Ocean constitutes its backyard, therefore it must start getting its act together when it comes to protecting its interests in the region. It is time for India to reach out and play a greater regional and global role in securing its interests. In the words of Rahul Gandhi, India should “stop being scared of how the world will impact us, and we step out and worry about how we will impact the world.”

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