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Drivers, Instruments, Ways Forward***

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# GREAT POWER RIVALRY AND TERRITORIAL ISSUES IN ASIA - A view from India

## The Backdrop

Asia is changing rapidly, fundamentally and in ways that once again impacts in a major way on the rest of the world.<sup>1</sup> As in much of its history China remains at its core; this time as a consequence of three decades and more of phenomenal economic growth. Others might say that Asia is reverting to an earlier phase in world history, when China and India, wielded dominating influence and collectively shaped the geopolitics of Asia.<sup>2</sup> Much of this happened in the past in different phases of world history and under differing conditions of globalization when there was enough space for both to thrive and prosper. Will this time around be different?

China's double-digit economic growth over the last three decades and more has been quite without parallel in world history. Already the second largest in terms of gross GDP it is likely to overtake the US in the near future for the top slot. It is already the largest trading nation in the world, has the biggest current account surplus, largest global reserve, has the second largest defense budget and a currency that will in the near future become internationally tradable. While economic growth in itself does not translate in to comprehensive national power, Beijing's growth all round has made a significant impact on its overall capability and enhanced its potential. In space, high technology manufacturing, scientific achievements and military power, China is increasingly able to compete with the leading nations in the world. This sudden emergence is leading to a rising debate on the possibility of "the Thucydides Trap" being repeated yet again on the world stage, with China's rivalry with the USA.<sup>3</sup>

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<sup>1</sup> Prof Hugh White, the strategic analyst at the Australian National University, has recently noted in a paper at the East Asia Forum that coming to terms with the Asian Century is the "biggest change in the global distribution of wealth and power since the Industrial Revolution"; a change that is driving "nothing less than a revolution in the Asian regional order". East Asia Forum Quarterly, *'Coming to terms with Asia'*. Jun 24, 2013.

<sup>2</sup> This draws a lot on Angus Maddison, the economic historian's work, in which in terms of purchasing power parity, till as late as 1800, the combined GDPs of China and India equaled almost half the world's.

<sup>3</sup> Graham Allison and Joe Nye of Harvard University labels "the Thucydides Trap" as a phenomenon where a deadly combination of calculation and emotion amongst rival and emerging world powers can turn healthy rivalry into antagonism or worse adversely affecting both. See David Sanger's "Superpower and Upstart; sometimes it ends well" in New York Times, Global Edition Jan 22, 2011, at

India, the other big rise of Asia is significant but more modest. Its rise has been for a shorter duration, at a slower pace and in a more inconsistent manner. Moreover this growth now seems to be spluttering, a lot to do perhaps with international economic down turn, but also in the absence of decisive policy choices and effective implementation at home. But, the potential for high growth remains. Combined with India's vibrant democratic society, this makes it attractive as a possible "global swing state".<sup>4</sup> This has also to be seen in the context of the strides it continues to take in developing its military potential as well as its strategic location atop the Indian Ocean dominating its strategic sea lanes. It has the world's third largest Army, fourth largest Air Force and the Fifth largest Navy.

### Other Recent Developments in Asia

Other major strategic developments in Asia over the last decade have left their mark. The terrorist strike in the USA on 9/11 turned Washington's attention away from Asia for nearly the entire duration of George W Bush's Presidency. It was not as if the US forces moved away from the region, or that there was any significant absence from strategic engagement. Coalition military exercises continued much as scheduled. US aircraft carrier battle groups plied the waters of the Pacific and Indian Oceans, often in transit to the Persian Gulf. And, indeed, it was during the Bush Presidency that the US built for the first time a strong substantive strategic partnership with India. But, US focus shifted from Southeast and East Asia as it got bogged down in the prolonged wars in Afghanistan and Iraq, its resources diminished and assets were diverted. As in other situations perception prevailed over reality and the US came to be seen during this period in Asia as an absent super power.

This left China sufficient space in the region to prosper uninterrupted and fill the void in Asia with comparable ease. Riding on Beijing's coattails the rest of Asia-Pacific too followed and grew rapidly. Today, most countries in Asia trade more with China than with any other country. This has also led to their economic growth and prosperity.

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<http://www.nytimes.com/2011/01/23/weekinreview/23sanger.html?pagewanted=all& r=0>; accessed on Jun 23, 2013. See also Robert Zoellick US, *China and Thucydides* in the National Interest, July-August, 2013 at <http://nationalinterest.org/article/us-china-thucydides-8642> accessed on Jun 25, 2013.

<sup>4</sup> According to a study by Daniel M. Kliman and Richard Fontaine under the German Marshal Fund, titled *Global Swing States: Brazil, India, Indonesia, Turkey, and the Future of International Order* on November 27, 2012 / at <http://www.gmfus.org/archives/global-swing-states-brazil-india-indonesia-turkey-and-the-future-of-international-order/#sthash.104r1SBB.dpufin>. Accessed on Jun 21, 2013.

China's continued strong economic rise, Japan's poor political stability and continued tensions in Korea, have all contributed to Beijing's deeper engagement and influence. By the end of the first decade of the 21<sup>st</sup> Century its leaders felt confident enough to abandon Deng Xiaoping's counsel of restraint in international affairs. From now on it would no longer 'hide one's capacity and bide one's time'.<sup>5</sup>

This change has also been enabled by China's rapid military modernizations. Accurate medium range guided missile systems, growing submarine capability and the induction of an aircraft carrier, have reinforced the perception of China's growing power, particularly in lands and seas around its periphery. This has contributed to the success of an anti-access strategy extending its naval reach to beyond the "first island chain". Its collaboration in the joint anti-piracy operations off the eastern coast of Africa has also allowed its Navy to demonstrate its ability to operate in the Indian Ocean.

There are major changes in the rest of Asia as well. The ASEAN is attempting to come together as a cohesive entity in order to play collectively a significant role in Asian security. It today provides in the form of the ASEAN Regional Forum (ARF) and the annual ASEAN Defense Ministers Meeting (ADMM) with eight additional members, i.e. ADMM+ is the fulcrum of an evolving regional security architecture for Asia. The meeting in Aug 2013 in Brunei was the second meeting of this group.

The Korean peninsula in the north on the other hand remains highly unstable. Kim Jong-Un's sudden and unpredictable challenge to the world seems to have perplexed even Beijing. Would China's interests be better served through support to a failing regime, which nevertheless prevents unification of the two Koreas? Or by propping up a failing state and ensuring its survival, prevent a refugee influx to China that may be destabilizing? Nobody knows for sure and much will depend on how the new leadership in Beijing handles the current nuclear proliferation crisis in the DPRK.

On these choices may well depend Tokyo's response. There are serious strains in the bilateral relationship with Beijing aggravated further by Prime Minister Abe's more assertive policies. Even though he personally did not visit the Yasukuni shrine, two of his cabinet ministers did and he sent his personal 'offerings'.<sup>6</sup> Japanese economy seems to be on the mend and how this revival shapes up and how its alliance with the US evolves will determine Japan's role in Asia. For instance given the

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<sup>5</sup> This is a personal observation by the author, though supported by others and refers to the successful holding of the Olympic Games of 2008, the Oct 1, 2009 military parade in Beijing and the Shanghai Expo in 2010, all major and highly successful world achievements. Deng Xiaoping's twenty four character statement which translates roughly in to; "Observe carefully; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership".

<sup>6</sup> BBC report of 15 Aug 2013 at [www.bbc.co.uk/news/world-asia-23695131](http://www.bbc.co.uk/news/world-asia-23695131), accessed on 26 Aug 2013.

circumstances, how strongly might Japan pursue other partnerships? Would this call for a more independent security posture and a greater self-reliance including possibly pursuing even the unlikely strategic weapons option? Even as contests over the islands in the East China Sea begin to create anxieties in the region, would there be inducements for maritime alliances with other like-minded nations? These questions will continue to plague the region for several years.

As these tensions mount in the seas one must also note with some satisfaction the resolution of China's land borders. Territorial issues have now been resolved both with Russia and the three bordering Central Asian Republics. While India and Bhutan remain the only holdouts, with whom borders have not been demarcated by China, their salience as points of conflict have reduced. The incident at Depsang plains in contested Ladakh in north India in April/May 2013 was swiftly resolved. Scheduled visits by Foreign Minister of India, Salman Khurshid to China and Li Keqiang's first foreign visit to India in May went as planned and led to the expected positive vibes. The 18<sup>th</sup> meeting between Special Representatives of both countries took place at Beijing in end June 2013. This is expected to address strengthening measures to prevent recurrence of such incidents in future. It is likely that diplomatic relations between Bhutan and China following a settlement of the border between them may also take place in the near future, too.

Ethnic insurgencies continue in northeast India and Myanmar though at a much reduced scale. With Myanmar's emergence from isolation, some positive fall-outs are likely. Its dependence on China may reduce and with greater international economic cooperation and internal political changes its ability to resolve its many ethnic conflicts may also improve.

## Emerging Issues in the Asia-Pacific

It is in this backdrop that the current strategic environment in Asia is being shaped. Two principal issues emerge from this. One is the US 'pivot' to Asia and what it implies for the region. While the actual word is 'rebalancing', the word 'pivot' has somehow stuck. According to China, the 'pivot' is perceived as a military move to regain Asia for the US, which will then be used to 'contain' China and restrict its growing influence in the region.<sup>7</sup> This has occurred at a time when the territorial

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<sup>7</sup> I had a brief exposure to this concern in China when I participated at the biennial Xiangshan Forum, a strategic conference organized biennially by the PLA Academy of Military Sciences, in Nov 2012 in Beijing. A majority of senior military officers of the PLA expressed a degree of concern regarding these developments in the Asia-Pacific, which were somewhat surprising and in definite contrast to what one is normally exposed to in civil strategic forums or at international

issues over the East and South China Seas have caused tensions and necessitated US support to the affected Southeast Asian countries. This is what appears to raise concerns regarding ‘the Thucydides Trap’.<sup>8</sup>

The other is the emergence of the concept of the Indo-Pacific Security Zone, encompassing the Indian and Pacific Oceans as one contiguous zone requiring a separate and single architecture for its management. This idea is not entirely new and has been considered occasionally in the past. In the British strategic approach to defending its interests in the Asia-Pacific, both the oceans were essentially considered together as a single area. The British chain of ports was linked through Arabia, South Asia and through Singapore and Malaya to Hong Kong and Australia. But, in recent times this idea has gained more prominence through writings of Australian and US strategic analysts. This perception leads to the possibility of bringing the littoral states together.

From an Australian, US and Japanese view the advantages are obvious. Oil and trade routes encompass the whole region, making it one of the busiest and most important strategic routes of interest to all of Asia-Pacific. Yet, this is precisely what does not suit China’s strategic interests. It would rather deal with each region and each country separately. China would like to build and develop its own capacity in the region independently dealing with key local actors. These divergent perspectives impact on how Asian Security Architecture will evolve in the coming years.

Both these issues have strategic implications directly concerning China and other regionally important states. How these ideas get played out, what acceptance they receive and how adjustments occur would shape the immediate security architecture of the region.

## Territorial Questions in Southern Asia

Following from this overview of the strategic environment in the Asia-Pacific is that one needs to examine the dynamics of territorial and security questions playing out in southern Asia, as seen from New Delhi.

It is still not generally recognized that South Asia too is a part of strategic Asia. Grudgingly this is being slowly accepted today. The reality is that in this contracting

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conferences in Beijing or Shanghai. Japan was seen clearly as a hostile nation followed not too far behind by the US.

<sup>8</sup> For a Chinese view of the Sino-US maritime issues, see Rear Admiral Yang Yi’s paper, *Navigating Stormy Waters - The Sino-American Security Dilemma at Sea*, in *China Security*, Vol. 6 No. 3, pp. 43-50, 2010, World Security Institute.

world the developments in South Asia can no longer be separated from elsewhere in Asia. Today, it becomes particularly relevant due to three reasons:

- First, is the increasing importance of the Indian Ocean as trade and energy routes for the economic prosperity of the entire Asia-Pacific.
- Second, is the reality of India-China relations, the two major powers in Asia. What happens between them, good or bad, will impact on the entire region perhaps as no other relationship. Peaceful border and a cooperative partnership will be central to this possibility.
- Third, is the rise of global terrorism with Af-Pak at its epi-centre. Even as recent terrorist attacks demonstrate, the region is far from peaceful.<sup>9</sup> With US and ISAF withdrawal from active military operations in Afghanistan in the middle of June 2013 and a final withdrawal of forces by 2014, the spillover effect is likely to affect the wider world. We need to remember that international terrorism is alive and well.

## The Indian Ocean Region

The commercial and economic importance of the Indian Ocean is too well known to be repeated here. It remains the most important energy route for the dynamic economies of East Asia. It is also the route that takes all the goods produced here to all parts of the globe and particularly to Europe and Africa. Given this importance freedom of navigation here is vital to about three fourths of the peoples of the world. Three principal straits connect the Indian Ocean to the Pacific; the Malacca, Sunda and the Lombok straits. These are narrow, difficult and are among the busiest waterways in the world, yet they are secure. The potential challenges in the Indian Ocean, where a number of littoral countries have the ability and the interest to interfere is a question that cannot be ignored. It could become a growing field of contestation between China and India.

The concept of the “string of pearls” emerged in an US think tank when a catchy phrase had to be used to draw attention to a growing perception of Chinese influence around the periphery of the Indian Ocean. A corresponding vision is that of the

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<sup>9</sup> Just as news of the cancellation of the Doha talks between the US and the Taliban became known, terror struck at two unexpected locations. First, at the high altitude mountain base camps for foreign tourists in Gilgit-Baltistan in North Pakistan an area hitherto not affected, on 21 June. The other was in Kashmir, a comparatively peaceful place of late, where eight Indian soldiers were killed in an attack on the LoC.

“necklace of diamonds” reflecting India’s presence and influence. China today has carefully crafted close relations with many littoral countries and is creating infrastructural support for a naval presence. From Chittagong Port to Hambantota, to Gwadar and Seychelles, Beijing has skillfully developed its presence.

This directly challenges India’s security, which it is attempting to counter by what has been recently referred to as a “necklace of diamonds”. The outline of this has not been defined, but will stand for a comparable Indian challenge at acquiring security relationships of other littoral countries. These competing attempts at developing regional port and basing infrastructure need not necessarily cause concern provided it emerges within a framework of regional cooperation. Neither should China’s growing maritime presence in the Indian Ocean yet cause undue concern. As an emerging major power it will legitimately require facilities in the region for ensuring the security of its commerce and energy supplies. But, the essence of this policy should include transparency and mutual cooperation under a more clearly defined security relationship.

## India-China Border Resolution

The absence of a resolution of the India-China border remains a critical source of possible conflict. It is important to state here though, that this unresolved border remains largely peaceful and where no shot has been fired in anger for many years. Yet, large forces remain poised, sometimes adopting threatening postures, not too far from the scene and where patrols confront each other occasionally in remote mountain ranges. The most recent example was at the Depsang plains in Ladakh in mid April 2013. It involved barely 40-50 soldiers of each side confronting each other, led to no further escalation and was quickly resolved through established arrangements of border meetings and discussion at respective capitals.

Leaders on both sides committed themselves to find a solution. Top level meetings have taken place recently. First, was a meeting between the Chinese President Xi Jinping and Manmohan Singh at Durban in South Africa in March 2013 at the BRICS Summit. Interestingly, Xi’s statements before and after the meeting make an interesting contrast. Before their personal meeting Xi’s emphasis was on:

“Maintaining strategic cooperation and keeping bilateral relations on ‘right track’. ‘Expand win-win’ economic cooperation, strengthen cultural ties and friendship,

cooperation and collaboration on global challenges and to accommodate each other's core concerns.”<sup>10</sup>

After Durban both leaders agreed to, ‘broaden China and India cooperation, extend it to their respective armed forces and deepen mutual trust. They also agreed to make use of the Special Representatives to find an acceptable solution *as soon as possible*’ (emphasis added).<sup>11</sup>

Barely two months later at Delhi Premier Manmohan Singh told his counterpart Li Keqiang that; India and China should “respect each other's core interests and security concerns, deepen mutual strategic trust, strengthen coordination and coop on international affairs and safeguard peace and stability in the region and the world”. He assured China that India “adheres to an independent foreign policy, and would not be used as a tool to contain China”. He reiterated his strong belief that there was “Enough space in Asia and the world for both India and China to grow together”.<sup>12</sup>

This was the backdrop to the meeting of the two Special Representatives (Shiv Shankar Menon, the National Security Advisor of India and Yang Jiechi the state councilor for Foreign Affairs of China) at the end of June in 2013 in Beijing. Both sides agreed to expand the measures to prevent incidents on the border and the measures to finalize these measures are presently being conducted.

## The Impact of the Withdrawal of the NATO and ISAF from Afghanistan

It is not necessary at this stage to dwell too much on a prospective event and its likely security consequences. Several scenarios have been projected, none entirely optimistic. These have ranged from post Soviet withdrawal in 1988, when in a very short time Afghanistan went on to Taliban rule. While times have changed and some actors are different, fundamentally not much may be different. Will Afghanistan be able to maintain its unity, even as individual tribal heads rule the provinces? This may be under a Taliban rule or otherwise. Or, would the country splinter finally in to its major ethnic components? Will the Pashtuns then under Taliban be an extension of Pakistan and provide the latter with much sought after “strategic depth”? Or, will the Pashtun region astride the Durand Line finally split and form a nation of its own?

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<sup>10</sup> <file:///Users/user/Desktop/India-China/China%20unveils%205-point%20formula%20to%20improve%20ties%20with%20India%20-%20Business%20Line.webarchive>; accessed on 17 May 2013.

<sup>11</sup> The Hindu, on ---- <file:///Users/user/Desktop/India-China/India.%20China%20should%20deepen%20military%20ties:%20Xi%20Jinping%20-%20The%20Hindu.webarchive>; accessed on 18 May 2013.

<sup>12</sup> Ibid.

Nothing can be predicted with any sense of certainty, but the options remain tantalizing and complex.

In any of these variations there will be major impact both on Asia and the Middle East. At this stage we can only wait and watch.

## Conclusion

The second decade of the twenty first century has already opened up new possibilities for Asia. A return of the US to Asia even as its economy revives and shale gas promises a more resurgent future. A China that would continue to grow economically but perhaps at a more modest pace, would confront serious challenges both politically at home and strategically abroad. The economies of other regional players continue to grow and Japan and ROK may well continue to lead for some more years. What role will the “swing powers”, both Indonesia and India then play? Will the strategic challenges be over the control of oceanic resources and routes, or against terrorist violence or as always the uncertainties of a changing world?