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Session I: Regional Arms Race and Implications for Conflict Constellations

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ARMS RACE IN ASIA AND ITS IMPLICATIONS FOR CONFLICT CONSTELLATIONS - A VIEW FROM DELHI

For far too long 'strategic Asia' was confined to China, Japan, the Koreas and later to Southeast Asia. Today, it would have to include the conflict region of Afghanistan-Pakistan (Af-Pak), where a crucial campaign is in progress. The outcome of this conflict will have serious consequences for the rest of Asia including Australasia. For the purpose of this analysis former Soviet Republics of Central Asia will not be included. Northeast Asia also will be excluded mainly because it requires an independent and comprehensive analysis.

Asia is in a state of flux with major transformations taking place in a number of areas. Rapid economic growth, changing and shifting alliances, demographic alterations, climate change and their trans-border ecological impact, water - too little and sometimes too much. In turn these affect conflict constellations and tend to lead to alliance forming and partnerships. Accompanying these changes and to bolster respective capabilities of securing national interests, there is also a simultaneous competitive acquisition of arms across the region. The principal areas of this contestation are enhancing maritime and aerial capabilities, combined with rapid response (air and ground) forces to meet unexpected threats in distant places, ie power projection capabilities. To project power over distant places require, in addition, large support bases in far off shores. These are developed through alliances and treaty arrangements. They also require massive infrastructure of roads and pipelines (for oil and gas) airfields and ports.

Another major area of security contention is nuclear weapons. Asia today is the only continent where nuclear weapons and fissile material are not reducing and more, better and long-range delivery systems are being developed and acquired. New nuclear powers too are threatening to emerge, which if unchecked could in turn lead to their pair countries adopting the same path leading to a nuclear weapons race and escalating tensions.

It is in this backdrop that this paper will first address the emerging strategic landscape of Asia. Next, it will examine how China-India interaction is likely to impact on the strategic future of the rest of the region. Third, examine broadly the emerging conflict constellations. Finally, it will attempt to identify threat perceptions and then contextualize the competitive acquisition of weapons in Asia.

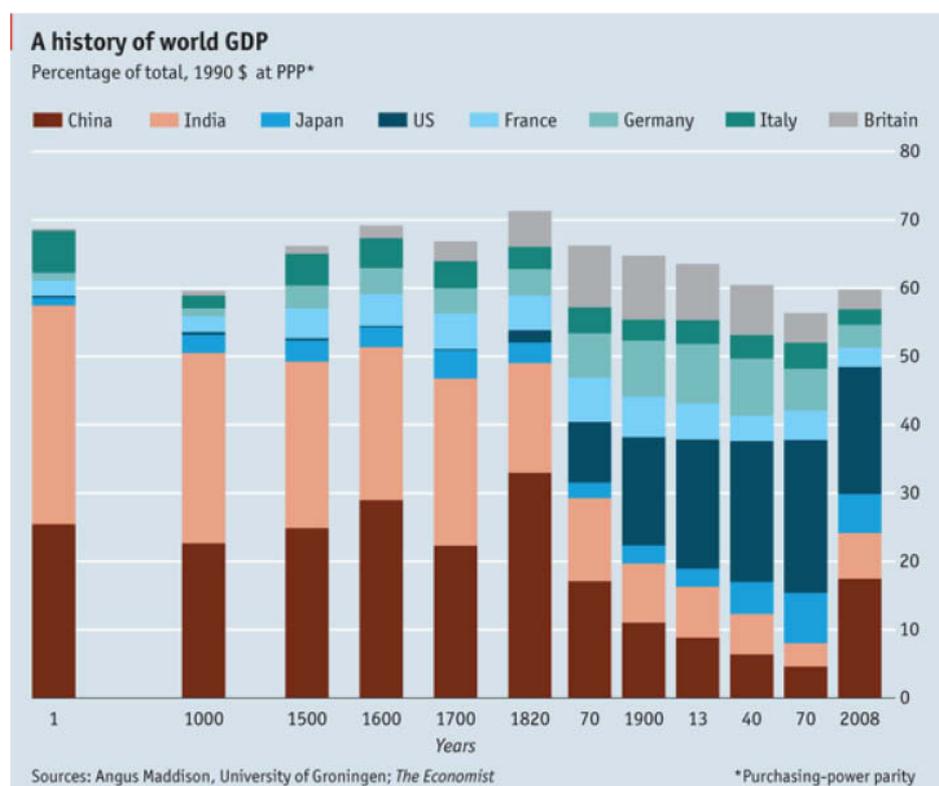
EMERGING STRATEGIC LANDSCAPE OF ASIA

Four principal developments are shaping the strategic landscape and will be addressed. First, is the re-emergence of Asia, particularly China. Second, will be a short review of the security arrangements and relationships in Asia. Third will be a discussion on the absence of a security architecture for Asia and its implications.

Finally, a brief examination of the Af-Pak conundrum and as different future scenarios contend for space, prognosticate on the possibilities of their coming about.

The re-emergence of Asia

The last few decades have witnessed a re-emergence of Asia and since 1978 more particularly a spectacular rise of China. This is captured best by the following bar graph by the economic historian, Angus Maddison in the Economist.¹



The chart is in purchasing power parity and depicts the GDP of only eight leading countries. If the “tiger” economies of Asia were to be included then it will depict an even greater shift towards Asia.² This chart of course reflects several other things; for example that in the era of the Mughal empire in 1700, the Indian economy was the largest in the world, but in 1820 just before the ‘century of humiliation’ was unfolding in China, its economy was about one third that of the world. In the year 1800 India and China’s gross GDP (in PPP) was half that of the rest of the world. Therefore, when Deng Xiao-ping’s economic modernization of

¹ The Economist, Sep 14, 2010, at <http://www.economist.com/node/16834943> accessed on Sep 14, 2010.

² In the flying geese pattern of development in the 1980’s on the coattails of Japan, rose the ROK, Taiwan and Singapore, and later extending to Malaysia, Thailand and Vietnam.

China began in 1978 and was followed by India 13 years later in 1991, it saw the re-emergence of Asia.

The Chinese economy has grown at an average rate of double digit for a period of over three decades transforming the largest nation in terms of population in the shortest period of time in global history. This rapid transformation has implications for the world and particularly for Asia.³ Another factor is that this is taking place at a time of unprecedented globalization leading to never before attempts by Beijing to secure natural and energy resources from the region and beyond. It is also linking its manufacturing production across several countries, creating its own dependencies with all that this implies.

India too as the second largest nation by population has been growing at an average of 7.5 per cent since it began its economic modernization in 1991. There is clearly a gap between China and India; with New Delhi starting fifteen years later and following a democratic and inclusive policy, at a growth rate about three percent behind China's over the years. Even though this differential growth rate is diminishing and may vanish altogether in the very near future, China's economic lead will remain substantial for at least a couple of decades in to the future.

While this rapid growth in all of Asia has ensured that largest numbers of people have been raised out of poverty in the shortest period of time, it has also put money in national coffers. In many cases this has enabled greater spending on military hardware across the region. This has often been legitimized as means necessary to safeguard access to raw material, secure oil and natural gas pipelines and allow use of sea lines of communication to further trade and commerce. As an example China's defence budget has grown by double digits every year for two decades to now reach a figure of around 145 bn US \$ (depending on how it is calculated) and is today second in the world, only after the US.⁴ India's defence budget to has grown albeit less dramatically.

Security Arrangements and Relationships in Asia

Given the growing strategic significance of Asia new security arrangements and relationships are beginning to form, superimposing or replacing those of the cold war. There are at least two collective security organizations in its periphery and

³ Long term projections of economic growth, is a very risky proposition as these never develop in an entirely linear manner. There are already several doomsday predictions of the many things that can go very wrong in China in the coming years. India has severe debilitating and structural weaknesses, which if not addressed, will not only put its economic growth in jeopardy, but will act as a break on any future power projection possibilities. At the same time it should be accepted that the changes that have already taken place are so very dramatic in both countries that their impact is profound.

⁴ A Report to Congress Pursuant to the National Defense Authorization Act for Fiscal Year 2010; **Military and Security Developments Involving the People's Republic of China 2010**, issued by the US DoD.

several bilateral arrangements. Of the first, the Shanghai Cooperation Organization (SCO) is the more important. Started in 1996 with China's initiative, it was initially called the **Shanghai Five**. Its original aim was to facilitate border cooperation with China's neighbors in the west and to expand Beijing's influence in a region with rich resources and severe economic, security and social challenges. In June 2001 it converted itself in to the **Shanghai Cooperation Organization** (SCO) with six member countries and four observers.⁵ The other is the **Collective Security Treaty Organization** (CSTO) led by Russia. Evolving from the Collective Security Treaty of 1992 among the former states of the Soviet Union in the East, in 2002 it changed to CSTO.⁶ It has seven members all except Russia being outside what we have defined as Asia. Its effectiveness at present is limited and its significance may lie in its potential rather than present capabilities.

The SCO has already emerged as a major security grouping that is ready to challenge NATO's expansion in to Asia. Since 2007 it has carried out major annual counter terror military exercises involving at times tens of thousand soldiers, armoured formations, combat aircraft and rapid reaction forces. The first one was carried out in the Urals in Russia in Aug 2007.⁷ The latest exercise was in mid Sep 2010 in Kazakhstan.⁸ Each progressive exercise has been larger in scope, involved greater troops and most invited observers from around the world. The purpose was to show case its collective military potential.

There are a number of bilateral and multilateral security cooperation arrangements between the USA and selected countries in Asia. Washington has an alliance relationship with Japan and the Republic of Korea with substantive military force presence in both countries. Though at times there are local opposition to continued US military presence, in times of crisis such as in the Korean peninsula in mid 2010, their legitimacy and need has been enhanced.⁹ An older alliance relationship is the ANZUS Treaty signed in September 1, 1951. New Zealand ceased its commitment to the Treaty after thirty odd years objecting to US ship visits with nuclear weapons on board. Since then New Zealand remains a "friend, not an ally" of the US and its treaty commitments to New Zealand has since lapsed. In 2007 some attempts were made to develop a NATO like structure in East Asia around the ANZUS Treaty and include Japan, Taiwan, Singapore and

⁵ The member countries are; China, Russia, Uzbekistan, Tajikistan, Kazakhstan and Kyrgistan with observers being Iran, India, Pakistan and Mongolia. The organizational HQ is located at Shanghai. <http://www.sectsc.org/EN/show.asp?id=218>, accessed on 13 Sep 10.

⁶ http://www.dkb.gov.ru/start/index_aengl.htm; accessed on 13 Sep 10. Its members are Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan.

⁷ <http://en.rian.ru/russia/20070816/71810064.html> accessed on Sep 20, 2010.

⁸ http://www.google.co.in/search?client=safari&rls=en&q=SCO+counter+terror+exercises&ie=UTF-8&oe=UTF-8&redir_esc=&ei=wqWXTMKXA4L8vQP0yoCaDQ accessed on 20 Sep 2010.

⁹ For example the military command change over to the ROK forces was deferred when the situation deteriorated suddenly in the peninsula in early 2010.

Philippines.¹⁰ This has not fructified for several reasons, but cooperation in maritime security and mutual exercises and training have grown.

A new entrant has been India with its defense relationship since 1995 with the US facilitating a strategic partnership later. New Delhi has hosted the Malabar series of naval exercises with the US more or less annually since 1992 in the Arabian Sea. But, Malabar 2007 was conducted in the Bay of Bengal and included India, United States, Japan, Australia and Singapore with 25 naval ships.¹¹ India has hosted another, the **Milan** series of training exercises with Southeast Asian navies. In Feb 2010 a ten nation **Milan** exercise was held in the Bay of Bengal including Australian and New Zealand navies.¹² India has developed close military training relations with Singapore, which allows the Singapore armed forces facilities for training its armoured formations and air force field firing in military ranges within the country.¹³ India also participates actively in counter piracy operations off the coast of Somalia with some notable successes. India has strategic partnerships of various types with a number of countries in Asia. Some of these are limited to annual dialogue on security issues with little useful content, but others such as with the US involves numerous comprehensive multi-service exercises in India, off its coasts and also in far off places like Hawaii and Alaska. Since 2010 India also has a strategic dialogue with China and has carried out two small scale anti-terror exercises, one in Sichuan in China in 2007 and the other in Maharashtra, India in 2008.

China's closest strategic partners in Asia, outside the SCO are North Korea, Pakistan and Myanmar. These relations are unequal and related to large scale supply of arms and equipment from China, training by Beijing and access to respective national logistic facilities in the recipient countries. In the case of Pakistan it has included enabling Pakistan to develop a robust nuclear and missile capability.¹⁴

¹⁰ Refer in particular to Mahdi Darius Nazemroaya's paper on "*Global Military Alliance: Encircling Russia and China - US sponsored military partnership in the Far East and the Pacific Rim*" at <http://www.globalresearch.ca/index.php?context=va&aid=5605>; accessed on 14 Sep 2010.

¹¹ Refer to the India Defense web site at; <http://www.india-defence.com/reports-3519> accessed on 14 Sep.

¹² Please refer to the Indian Army web site at Bharat Rakshak at <http://www.defence.pk/forums/india-defence/46030-india-host12-nation-naval-wargame-february-4-a.html> accessed on 14 Sep 10.

¹³ An agreement was signed in 2003 and subsequently Singapore exercises extensively in India utilizing its many field firing ranges, exercise facilities and air training capabilities. Some of its equipment is also located in these areas. <http://www.india-defence.com/browse/singapore/0> accessed on 20 Sep 2010.

¹⁴ This is well documented by several sources, but see for example, <http://nuclearweaponarchive.org/Pakistan/PakArsenal.html> accessed on 20 Sep 10.

The absence of an Asian security architecture

Finally, the third characteristic of Asia is the absence of an overarching political and security architecture, which might provide a forum for discussing and addressing security issues.¹⁵ In Europe there is the North Atlantic Treaty Organization (NATO) and the European Union (EU), in Africa the Organization of African Union, and the Arab League. Latin America too has the Mercosur. The only comparable organization in Asia is the ASEAN and the ASEAN Regional Forum (ARF), with provisions to include additional dialogue partners.¹⁶ A potential weakness of ASEAN in shaping the architecture of all of Asia is that it is led by the weakest grouping of nations in the region. It remains as yet more of a talk shop without an ability to take collective security counter measures.¹⁷

Two different ideas emerged recently, from Japan and Australia in particular, for alternate security architectures, but neither has made any headway.¹⁸ Instead what is likely to emerge is an expanded version of the ASEAN + dialogue partners, with all its limitations and infirmities.¹⁹

¹⁵ What has prevailed instead is a private think tank initiative led by the International Institute of Strategic Studies (IISS), London, which has instituted a Shangrila Dialogue in Singapore annually in June every year since 2001. Defense Ministers from Asia and permanent members of the Security Council often take part on invitation. The ASEAN has recently taken an initiative and has called a Defence Ministers meeting in Vietnam (the current ASEAN chair) in October 2010 that will include all Defence Ministers from the ASEAN and its eight dialogue partners, including China, Japan, ROK, India, Australia, New Zealand and new additions, the USA and Russia. <http://asiapacvoices.com/insights/2010/06/asean-defence-ministers'-meeting-plus-ej> accessed on 20 Sep 10.

¹⁶ ASEAN was formed on Aug 1967 at Bangkok among others “*To promote regional peace and stability*”. From the ASEAN home page at <http://www.aseansec.org/64.htm>, accessed on 13 Sep 10. The inaugural meeting of the ASEAN Regional Forum was held on 25 Jul 1994 again at Bangkok and progressively included dialogue partners. Accessed at <http://www.aseanregionalforum.org/AboutUs/tabid/57/Default.aspx> on 13 Sep 10. India joined for the first time in 1996; <http://www.mfa.gov.cn/eng/wjb/zjg/gjs/gjzzyhy/2612/t15313.htm>; accessed on 13 Sep 10. An ASEAN Regional Forum defense officials meeting was held for the first time in Vietnam on 18 Mar 2010, co-chaired by Vietnam and India. It discussed matters of regional security. Accessed at <http://english.peopledaily.com.cn/90001/90777/90856/6924153.html> accessed on 13 Sep 10.

¹⁷ The ASEAN thrust for this leadership and an attempt to provide a security framework to this alliance is demonstrated by the first Defense Ministers meeting scheduled by the ASEAN at Hanoi, Vietnam on Oct 12, 2010. The theme of the conference is “*Potentials, Prospects and Directions for Practical Cooperation within ADMM+*”. Participants from outside ASEAN will include Defense Ministers from Australia, China, India, Japan, the Republic of Korea, New Zealand, Russia and the US. http://asean2010.vn/asean_en/news/36/2DA930/ASEAN-defence-ministers-to-gather-in-October, accessed on 18 Sep 2010.

¹⁸ Shintaro Abe of Japan in his short stint as PM made a proposal in this regard in 2007. Kevin Rudd’s idea of an Asian Security Community was articulated in 2009 and emphasized in his address at the Shangrila Dialogue in Singapore in June 2010. <http://www.eastasiaforum.org/2009/06/22/kevin-rudds-multi-layered-asia-pacific-community-initiative/>.

¹⁹ The latest proposal is for an ASEAN + 8 (China, Japan, Republic of Korea, India, Australia, New Zealand, USA and Russia). Articulated by Singapore’s PM Lee Hsien Loong in April 10, the core will consist of the ASEAN 10.

Impact of Developments in the Af-Pak Region

While eastern Asia has witnessed major conflicts post World War II, which has shaped its conflict constellations, the emerging security challenges may well develop in the western part of Asia in the Af-Pak region. This may be due to several factors, of which many are yet to unfold. For example it will be affected by the nature and timing of withdrawal of US and NATO forces, the state and the structure of Afghanistan that emerge on their departure and the impact on Pakistan as a nation. It is increasingly uncertain as to how long the US and NATO commitment to Afghanistan will last. Economic difficulties at home in the US, combined with the unlikelihood of ‘victory’ of any sort, has already lost domestic public support for this increasingly unpopular war. The immediate concern is the coming US elections in November 2010. If the Congress splits, strong actions by the US Administration will become increasingly unlikely.

President Obama’s Dec 1, 2009 speech to the cadets at West Point announcing his new Afghan policy and the date for the beginning of US Force withdrawal, though meant primarily for a domestic audience, set-off alarm bells across the region.²⁰ Notwithstanding all the subsequent clarifications, outright denials, or a carefully crafted statement that US forces will remain as long as necessary, failed to correct the negative impressions in the region.

It led to some jubilation among the Taliban and an intensification of their campaign. To most terrorist organizations this appeared to be a clear acceptance of defeat by the US. In capitals of the region, from Moscow, Teheran, Beijing, Ankara, Delhi and others, there began furtive consultations to evolve contingency plans for the likely outcome. Without going in to the realm of speculation, it will suffice to consider three possible alternate scenarios. First, is a pre 1975 Afghanistan, where a weak central authority in Kabul pretended to govern the rest of the country and achieved varied but never full authority. Given the enormous infusion of arms and soldiers, intense ethnic rivalries heightened by recent wars and little concept of an unified country as defined by the post Westphalian nation state, the chances of this is unlikely. The second, possibility would be a semi-autocratic rule by the Taliban over the Pashtun region of the country , without its writ being fully effective elsewhere, with Pakistan dominant in the west and using the country as its strategic depth. This would not be possible without enormous intervention and investment of military resources as well as money. Given that this

<http://www.pmo.gov.sg/News/Transcripts/Prime+Minister/Leaders+to+consider+Asean+Plu+s+Eight.htm>; accessed on 13 Sep 10.

²⁰ Announcing a surge of 30,000 soldiers to Afghanistan, President Obama announced; “Now, taken together, these additional American and international troops will allow us to accelerate handing over responsibility to Afghan forces and allow us to begin the transfer of our forces out of Afghanistan in July of 2011.” Accessed at <http://voices.washingtonpost.com/44/2009/12/obamas-afghan-policy-speech-at.html>, on 18 Sep 2010.

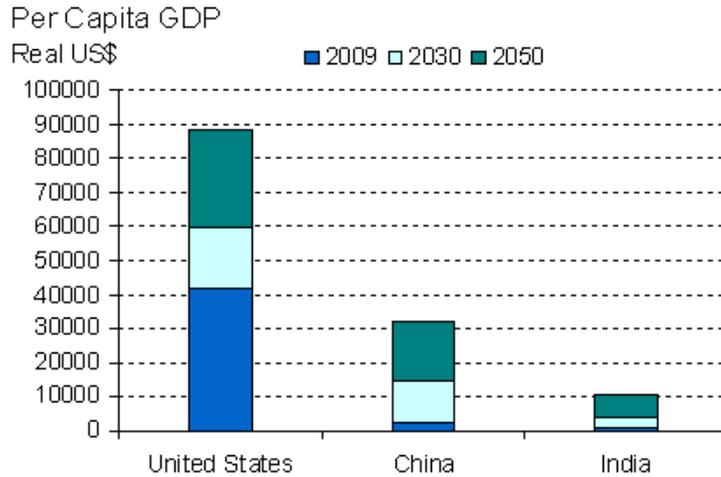
arrangement will hardly be to US interests and that Pakistan today, particularly after the floods in the summer of 2010, is a near failed state, this outcome is again not very likely. The third possibility is a break-up of Afghanistan in to its principal ethnic divisions, with support to its contiguous areas from its neighbors; i.e. Iran, Tajikistan and Uzbekistan. It will not be quite like the re-emergence of the Northern Alliance, but more a great game for spoils in the country.

The problem with this last scenario is that when the Pashtuns of Afghanistan break up they will merge with their brethren in Pakistan, across the Durand Line and annex the new province of Khyber Pakhtoonkhwah (earlier NWFP), which is predominantly Pashtun. The trouble is that this breaks up Pakistan and may in turn even lead to the secession of Baluchistan and even Sindh. Though frightening to contemplate, given the accumulation of three decades of strategic missteps, no one can predict that this will not be a possible outcome. The consequences of this is fairly devastating, which in turn is likely to set-off the next great game for the capture of Afghanistan's extensive mineral resources, led by China and search for a transit to the energy reserves of the CAR. It is this scenario, even if a worst case one, that needs to be seriously considered as a possibility in the case of Af-Pak.

CHINA – INDIA INTERACTION AND ITS IMPACT ON THE REGION

Most analysts seem to agree that the emerging relations between India and China will profoundly affect the strategic environment of Asia and perhaps in the not so distant future, that of the world. Several indicators point in that direction. Already today, China and India constitute 40 per cent of world population. Within twenty to thirty years their economies are likely to be the first and third in terms of global GDP, if anything like the current rates of economic growth are sustained. A report from the Carnegie Endowment projection, similar to many others, is given below.²¹

²¹ The CEIP web site at <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=24195>, accessed on 22 Sep 2010.



Source: Author's projections

http://carnegieendowment.org/images/article_images/GDPpcR4.gif

While accepting the possibility of near parity in the future, one must acknowledge the current differences in comprehensive power between them. There is an asymmetry in capabilities, with India about a generation behind China in many aspects essential to national power. China's economy is about 3-4 times bigger, its military significantly more capable, its nuclear arsenal larger and with an all round delivery capability and it is a permanent member of the UN Security Council. At the same time India too is an emerging global power with a rapidly growing GDP, is a democracy with predictable policies. This provides it with the advantage that its emergence is seen as less disturbing or threatening to its neighbours.²²

India-China relations work at least at three levels. One, is the official state to state relations, next is in the realm of popular perceptions and public sentiments shaped by an unresolved boundary and finally, in terms of perception of competition for influence in Asia. State to state relations between India and China has remained stable, engaged and cooperative. Heads of state and government meet at regular intervals during state visits, on the sidelines of international conferences and at meetings of multinational organizations. India is an observer in the SCO and China in the South Asian Association of Regional Cooperation (SAARC).

Trade between them is booming, from a mere US \$ 200 million a dozen years ago to about US \$ 60 bn this year, even though this trade is imbalanced with a large deficit against India. PM Manmohan Singh has always articulated the position that 'there is enough space in Asia for both India and China to grow

²² PM and elder statesman of Asia Lee Kuan Yew asserted this while extolling the virtues of democracy, even though he has never had much appreciation for India's lethargic bureaucracy or state control over economic activities that has thwarted its economic growth.

together and there need never be a competition between the two'. However, with Beijing's clear articulation of the desire to be the number one in Asia, it may well be a question if "there is room for two tigers on a hill".

The outstanding issue between the two countries remains the unresolved border. Even after many rounds of talks that began in 1981, not much progress seems to have been made. This remains a major friction point adversely impacting overall relations. Fourteen rounds of talks have been held at the political level between the two interlocutors specially nominated for this purpose since 2003 and even these have not made progress.²³ Frictions develop occasionally both in regard to denial of visas by China to inhabitants of the Indian provinces of Jammu & Kashmir and Arunachal Pradesh, which China claim is disputed. While patrolling along the non delineated border, each side attempts to out do the other and mistrust intensifies. These in turn are sensationalized through an independent media in India and by the blogging community in China further aggravating relations. The current stance by China to define Arunachal Pradesh as southern Tibet since 2006 and calling the entire province disputed, unlike the earlier limiting of the contestation to the Tawang tracts, seem to reflect a harder and changing stance in Beijing, comparable to its changing positions in the South China Sea and over the Senkaku Islands.

There is a substantive military asymmetry beginning to develop as well. This has been reflected in the recent Pentagon study.²⁴ China's military expenditure is shown at Annexure A to this paper. The current year's (2010-11) Indian defence budget is shown at Annexure B and it stands at US \$ 31.3 bn. The difference is startling. Even by the official Chinese data it is twice that of India and according to the modified data of the Pentagon it would amount to near four times. This in itself may not be destabilizing, since in the high altitude Himalayan region that the border lies India today has the capability to deploy adequate defensive capability. Besides, a nuclear deterrent may well be in place further limiting adventurous tendencies in both countries.

It must be noted that in spite of these disputations, the India-China border has remained relatively calm and peaceful, with no shot fired in anger over three decades. It is however, China's policies and relationships in a wider region that are of greater concern.

First, is the greater assertiveness of China. No longer does China follow the Deng guidance, "to keep one's head down, not to expose oneself, and quietly build

²³ The 14th round was held at Beijing in July 2010, <http://news.rediff.com/column/2010/jul/02/brhma-chellaney-on-the-india-china-border-talks.htm> accessed on 22 Sep 2010.

²⁴ *Military and Security Developments Involving the People's Republic of China 2010*, Report prepared by the Secretary of Defence in pursuit of Congressional Directive.

national strength”.²⁵ Deng’s line was always of caution. For example in Jun 1985 at the enlarged Central Military Commission (CMC) meeting he had spoken to the assembled generals to await its turn at military modernization, till the economy was sufficiently strong. The current leadership at Zhongnanhai seems to be convinced that the time has now come to assert itself in the global stage, including rapid development of military capability. Three events of the last two years exemplify this very clearly. First, was the conduct of the Olympic Games displaying its national emergence among first rung powers. The next was the 60th anniversary military parade on Oct 1, 2009 displaying only indigenous military equipment and showcasing its military capability. Finally, is the Shanghai Expo of 2010.

What we are beginning to see is a more confident and assertive China, which is ready to confront the world on its own terms, defending its interests strongly, playing the role of a world power. It is this reality of China that is beginning to have an impact on policies and relationships in Asia. If nations are judged by the friends they keep, China undoubtedly will not feature well. Kim il Jung’s Korea, Than Shwe’s Myanmar and a failing state such as Pakistan are no advertisements for regional prowess. But, it is precisely the vulnerabilities of these states that allow them to be manipulated and kept dependent on China. But, these relations serve an useful purpose. In Northeast Asia it allows China to shape the region’s agenda, keep the Koreas divided and pose a challenge to Japan. Support to Myanmar helps sustain a military regime, which is an anachronism in today’s world; but it also provides it access to mineral riches and routes for oil and gas pipelines. Having a client state in Islamabad, helps keep India unbalanced and challenged with a two front scenario and provides it access to the Islamic world in the Middle East. While accepting the diluted UN sanctions against Iran, it allows the latter’s economy to remain unaffected through massive investment and purchase of energy resources.

In recent years India has begun to play a more prominent role in Asia. It articulated its “Look East” policy in 1992, developed closer relations with Southeast Asia, became its dialogue partner and took part since 1996 at the ARF meetings. In 2009 it finalized a Free Trade Agreement with Southeast Asia. India has close relations with Japan and is developing stronger ties with ROK. India is today the highest recipient of Japanese ODA. Within ASEAN India’s ties are strong with Singapore. Closer interactions have developed between India and Vietnam in the last few years, even though there are only minimal security related connections. India is a participant of the ASEAN + 6 Summit since it was first held in 2005. Lee Kuan Yew has defined China and India as the two wings of the

²⁵ Deng’s statement <http://www.fas.org/nuke/guide/china/doctrine/pills2/part03.htm>, accessed on 22 Sep 2010.

ASEAN aircraft, which keeps the organization balanced and provides it forward traction.

India-China relations do not play a role in many of China's own security questions. These are its engagements in Northeast Asia, against Japan in the East China Sea and those with Southeast Asia. India has never attempted to play a balancing role or interfered in China's relations with these countries. Indeed, India's first PM Jawaharlal Nehru was responsible to introduce China and Zhou en Lai to ASEAN leaders at Bandung in 1955. Since Deng's visit to ASEAN in 1978 it normalized relations with all countries. Beijing's economic growth has lifted the region. In the currency collapse of 1997 in Southeast Asia, it was China that did not devalue the Renminbi and ensured that regional economies remained solvent. In the years since 9/11 China has almost replaced the US as the principal influence here.

But, China has for some years been involved in South Asia. Discounting the early support to revolutionary movements in South Asia soon after the end of the Second World War, in recent decades China has extended major support to all of India's neighbours, from Myanmar, Bangladesh, Sri Lanka and Nepal in addition to Pakistan.

USA was curiously largely absent from Asia since 9/11, focusing its attention on Afghanistan and Iraq and to a limited extent on North Korea. This appears to be changing in the Obama era. While Condoleeza Rice and President Bush often skipped the region and its many "obligatory" summits, Hillary Clinton and Robert Gates have been meticulous in showing up. Even while engaging China on global issues they have supported Southeast Asia over the South China Sea, particularly at the last ARF in Vietnam.²⁶ Inevitably, coastal seas and principal maritime routes from Japan through the Malacca Straits, the Indian Ocean and to the coast of Somalia, will remain critical to security in the region and hence control or dominance over these will be the new Great Game in the Oceans.

CONFLICT CONSTELLATIONS IN ASIA

Within the broad parameters of security frameworks and emerging geo-political developments that we have traced in Asia, what are the likely or possible conflict constellations? Let us first, identify those that are less likely. A direct military confrontation between China and Taiwan and between China and India across the

²⁶ At the ARF meeting in Vietnam, while discussing the issue of the dispute in the South China Sea, Hillary Clinton said in July 2010; that the US had "a national interest in freedom of navigation, open access to Asia's maritime commons, and respect for international law in the South China Sea." <http://www.voanews.com/tibetan-english/news/usa/China-Tells-US-Not-to-Internationalize-South-China-Sea-Territorial-Issue-99242409.html> accessed on 22 Sep 2010.

Himalayas both seem unlikely. Although “Chinese unification” will remain a premier goal of the PRC and ‘Taiwan independence’ according to Beijing is sufficient cause to go to war, currently the chance of a military conflict seems remote.²⁷ Only some extreme geo-political developments may make this likely. **The Economic Co-operation Framework Agreement (ECFA)** that came into effect between them on 12 Sep 2010, greatly facilitated economic integration.²⁸ Earlier direct travel from the mainland was initiated helping greatly the process of people to people contacts.

Across the Himalayas there is at present a certain parity of military capability. But, if China does bring its full military potential to bear on this region, which is possible given its enormous infrastructural capabilities, it can achieve local military asymmetry. China’s military infrastructure for war and mobilization has improved dramatically in recent years, which India has been utterly unable to match. Even then India’s nuclear potential and basic delivery capability still poses a sufficient deterrence to aggression. In the near future India’s nuclear deterrence will only grow and be credible, making such an adventure not a rational option for Beijing. Another situation may be a limited skirmish to capture specific areas, particularly to respond to a worsening situation in Tibet or to counter the effects of Dalai Lama’s succession.

A further contingency may be created by Pakistan, which may attempt to entice China to come to its aid against India. This is a scenario of a Sino-Pak collusion. Pakistan has attempted this twice in the past, in 1965 and 1971. In both cases, however, in spite of making threatening noises, China refused to engage India. No nation, particularly China, is ever likely to fight another’s wars in this day and age, where the costs of conflict are so high. However, should a situation develop where Pakistan is likely to disintegrate, on its own or supported by others, would China still stay away? India is very unlikely to support Pakistan’s break-up, as it goes against Indian interests. But, serious intervention from Beijing in support of a client state cannot be ruled out. This might then draw in a number of outside players including the US. While this remains a fairly remote possibility, it is still a possible contingency.

There are three distinct scenarios where conflict may occur in Asia. These are over; Af-Pak developments, contestations over maritime security and defence of littoral alliances and facilities and finally over the South China Sea.

²⁷ The author was briefed at the National Defence University of the PLA at Beijing in Sep 1996 after the incident over Taiwan. The Director of the Institute of Strategic Studies in the presence of the NDU President, made it clear that China will not hesitate to resort to war should Taiwan unilaterally declare independence.

²⁸ Reported by the BBC at <http://www.bbc.co.uk/news/world-asia-pacific-11275274>, accessed on 22 Sep 10.

The Af-Pak Imbroglia

This is a very likely scenario in the near future once the US and NATO forces withdraw as we have already discussed. Much will depend upon the timing and nature of withdrawal, the operational environment at the time, the nature of Afghanistan and its likely break-up and the regional alliances that develop to counter the situation. Unlike post 1992 when the government of Najibullah fell, this time China can be expected to be a major player. Its investments in mineral resources, the gas and oil pipelines constructed recently, are all major assets that Beijing will attempt to secure with force. How will Russia respond and will the SCO stay united or new coalitions emerge within it? Iran will be a major player, but who will it partner? India has a vital role in Afghanistan, but who will it work with in order to prevent the region or a part of it becoming a hostile Islamic terrorist state? The situation is far too unpredictable at present to make any realistic prognostication. But, that some such situation may well emerge may be considered a very real possibility.

Contestation over maritime security

China has developed major facilities across northern Indian Ocean and with the acquisition of aircraft carriers, a small but comprehensive naval capability operating from bases like Gwadar (Pakistan), Hambantota (Sri Lanka) and future bases near the Somali coast. Beijing will then have both a motive and the capability for naval force projection. Unless an effective maritime cooperation arrangement develops in the near future, tension and conflict is likely to result. Unless regional navies balance this potential and bring about a degree of stability through agreements and restraint, the situation is likely to worsen. Within Southeast Asia the straits controlling naval movements between the Indian Ocean and the South and East China Seas, will become critical. Regional navies do not yet have a capability to secure these. Even if and when they do, they will require additional support, which only the US Navy is presently capable of doing and also committed to provide.

Meanwhile India has emerged as a major security provider in the commons of the Indian Ocean. Commodore Uday Bhaskar (Retd) of the Indian Maritime Foundation has written that on 27 May 2010, the Indian Navy escorted the 1000th ship in the Gulf of Aden, of which 87 % were foreign ships and only 13 % Indian merchant vessels. In Feb 2008 India took the initiative of launching an Indian Ocean Naval Symposium (IONS), which included Chiefs of 30 littoral navies.²⁹ This initiative continues till today.

²⁹ Uday Bhaskar, *India as Maritime Security Provider*, in the IISS web site at <file:///Users/me/Desktop/Berlin%20pap/IISS%20paper.webarchive>, accessed on 22 Sep 10.

Contest over the South China Sea

Now that there are clear indications of considerable under-sea resources in the region, the islets in the South China Sea assume great importance. China's determination to acquire as much of it as possible has been well demonstrated in recent period. The ASEAN had succeeded in getting China to agree to collective bargaining with the ASEAN claimants in 1997. These talks have made no progress and China is eager to return to bilateral negotiations where its bargaining power will improve impressively. The USA will have to take sides, just as Hillary Clinton did in the recent ASEAN Foreign Minister's conference.

Along with this are Chinese statements of claims over a "territorial Sea", which goes well beyond the Laws of the Sea Convention and its declaration that this is a "core" concern for China. Should they really stick to this position Japan will be adversely affected. The stand-off over the Senkaku islands issue in Sep 2010, is an example of what might happen more frequently in the future. While Japan has till today asserted its stand, individual smaller nations of Southeast Asia, including Vietnam and Indonesia will be unable to do the same. The likelihood of US involvement will rise. If Washington refuses to support these small states, its credibility as a security provider and alliance partner will begin to disappear.

There are certain common elements in these possible conflict constellations that need to be noted. First, each involves China as a major actor and as the rising hegemon in Asia. Second, except in a India-China-Pakistan case, these involve China on one side and a coalition of forces on the other. The US will be involved in each of the cases and likely to be a principal actor, save the Af-Pak contingency, from where it may permanently withdraw. All this raises question in the minds of the region's leaders of US ability to continue to be the security provider to Asia. Already Robert Gates, US Defence Secretary, has slashed major new and sophisticated military weapon development programmes and acquisitions. How long will US military ascendancy in Asia last?

ARMS ACQUISITIONS IN ASIA

It is in the backdrop of these geo-political developments that we need to study the acquisitions of military capabilities in Asia. Is there an arms race and if so what are its contours? An arms race may be defined as a 'competitive acquisition of military capability between nations or alliances in order to develop a military advantage over the other'.³⁰ It usually reflects tension between competitive nations

³⁰ A more comprehensive definition would include the one that was used by the US Arms Control and Disarmament Agency and stated; "*acquisition of weapons of war, parts thereof, ammunition, support equipment, and other commodities designed for military use.... Dual-use equipment...when its primary mission is identified as military. The building of defense production facilities and licensing fees paid as royalties for the production of military*

or groups and the purpose may be to deter possible threats from fructifying. This race may be in terms of numbers, or types of weapons, or, in terms of technology.

Weapons acquisition by India

India continues to be a major arms importer. Its arms industry is government controlled and inefficient. Policies are slowly getting in to place for developing an indigenous civil or public private partnership framework for defence production. If it develops satisfactorily, some years from now it will become more self reliant. Till then it has to repeatedly look outside for advanced weaponry. Its principal suppliers have been the Soviet Union/Russia, Israel, France and more recently the US. Major acquisitions in Air Force and Navy are discussed below.

India has recently finalized a deal with the Russians on the joint development of FGFA (Fifth Generation Fighter Aircraft) for which India would be investing around US \$ 6 billion. Up to 250 of these may be made over the years. This is in addition to the 126 multi-rle combat aircraft with the option of an additional 74 for a total value in excess of 10 billion dollars that is currently under advanced processing. Aircraft short listed are; shortlisted the American F-16 and F-18 Super Hornet, the European Eurofighter Typhoon, the French Rafale, the Swedish Gripen and the Russian Mig-35. This is in addition to a US \$ 2.1 billion dollar deal with France to upgrade the existing fleet of the Mirage 2000s. Another deal recently finalized was the acquisition of C -17 Globemaster heavy lift aircrafts from the US at a deal valued at around US \$ 3.2 billion dollars.³¹

By 2014 the Indian Navy will have acquired INS Vikramaditya (earlier Gorshkov) aircraft carrier flying Mig29Ks with Thales IFF and Helmet mounted sights. Other likely acquisitions include 12 New ASW Helicopters (Sirkosky Lockheed, Westlands, Eurocopter or Kamov) , 8 Boeing P8i, 6 new MR aircraft, three Type 17 Shivaliks with CLUBS with LM 2500 engines , three Krivacks TEG class with 8 Brahmos missiles, three Type 7000 ton 15A Destroyers with 16 Brahmos missiles and MStar Radars from Elta and 6 OPVs. One scorpene diesel engine submarine and Akula Nerpa nuclear attack submarine will be in full commission and INS Arihant (aircraft carrier) with a possible short range nuclear deterrent. On 23rd June in Yantar shipyard at Kaliningrad the second of the three follow on Krivack III class stealth improved Talwar class frigates with 8 Brahmos missiles and Ka-31 was launched.

equipment... Military services such as training, supply operations, equipment repair, technical assistance and construction are included where data are available". From [file:///Users/me/Desktop/Berlin%20pap/The%20International%20Arms%20Trade:%20Difficult%](file:///Users/me/Desktop/Berlin%20pap/The%20International%20Arms%20Trade:%20Difficult%20) Accessed on 19 Sep 2010.

³¹ [http://www.delhilive.com/page/india-military-aircraft-buying-sprees-2010091424345;](http://www.delhilive.com/page/india-military-aircraft-buying-sprees-2010091424345) accessed on 22 Sep 10.

China's defence industry and weapons acquisition

The PLA's equipment budget has risen from US\$3.1 billion in 1997 to an estimated US\$26 billion in 2010; of this, perhaps US\$6 billion is dedicated to defence R&D, putting it far ahead of any other country in the region and perhaps even making it the second-highest global spender on defence R&D.³²

China's military might was demonstrated on Oct 1, 2009 on the occasion of its 60th birth anniversary. In a massive parade at Tiananmen from which the Chinese people themselves were barred, the PLA displayed some 52 new and different pieces of military hardware.

Southeast Asia

According to data maintained by SIPRI, weapons acquisitions in Southeast Asia almost doubled from 2005 to 2009 compared with the five preceding years. "There is a threat perception among some of the countries in Southeast Asia," said Siemon Wezeman, senior fellow at the institute. "China is an issue there." The buying spree is set to continue, with reports that Vietnam has agreed to pay \$2.4 billion for six Russian Kilo-class submarines and a dozen Su-30MKK jet fighters equipped for maritime warfare. This is in addition to Australia's stated commitment to buy or build nine more submarines and bolster its air force with 100 U.S.-built F-35s. Malaysia has also paid more than \$1 billion for two diesel submarines from France, and Indonesia has recently announced that it, too, will acquire new submarines.³³

Singapore was the fourth-largest buyer of weapons in Asia during the period after China, India and South Korea. The wealthy but small city-state's recent arms purchases included eight F-15E combat aircraft with advanced air-to-air and air-to-ground missiles from the United States, two La Fayette frigates from France and 40 tanks from Germany. Last year, Malaysia acquired combat aircraft with advanced missiles from Russia, its first submarines from France and Spain, frigates from Germany and tanks from Poland.³⁴

³² Richard A. Bitzinger, *Asia's Defence Industries: Challenges and Policy Options*, RSIS Commentaries, Singapore, No. 115/2010 dated 15 September 2010.

³³ John Pomfret, *Washington Post*, Aug 9, 2010, p.8; <file:///Users/me/Desktop/Berlin%20pap/Document%20View%20-%20ProQuest.webarchive>, accessed on 22 Aug 2010.

³⁴ <file:///Users/me/Desktop/Berlin%20pap/FOCUS:%20China's%20growing%20military%20might%20spurs%20arms-race%20in%20Asia%20%7C%20NewsyStocks.webarchive>; accessed on 22 Sep 2010.

Nuclear Weapons Capability

There is developing today in Asia a small but significant arms race in nuclear weapons, which are claimed to be the ultimate deterrent. Therefore, its possession even by comparatively weak nations, appear to help them deter offensive designs by a hostile nation. But, it seldom serves the purpose of “compellence”, that is to force another to do one’s bidding in a specific situation. This is especially the case, when there are alliances or treaty guarantees. The extended deterrence given to Japan and ROK by the US is one example. In the trilateral India-China-Pak situation, a form of deterrence against large scale attacks among them seem to operate. While both China and India profess to follow a nuclear doctrine of “no-first-use”, helping greatly in building confidence against a sudden attack, this does not apply to Pakistan. Therefore, an immediate and urgent requirement is to build nuclear confidence through a host of risk reduction measures. Till then a steady build-up of nuclear arsenals and their delivery means by all three countries is the strategic reality.

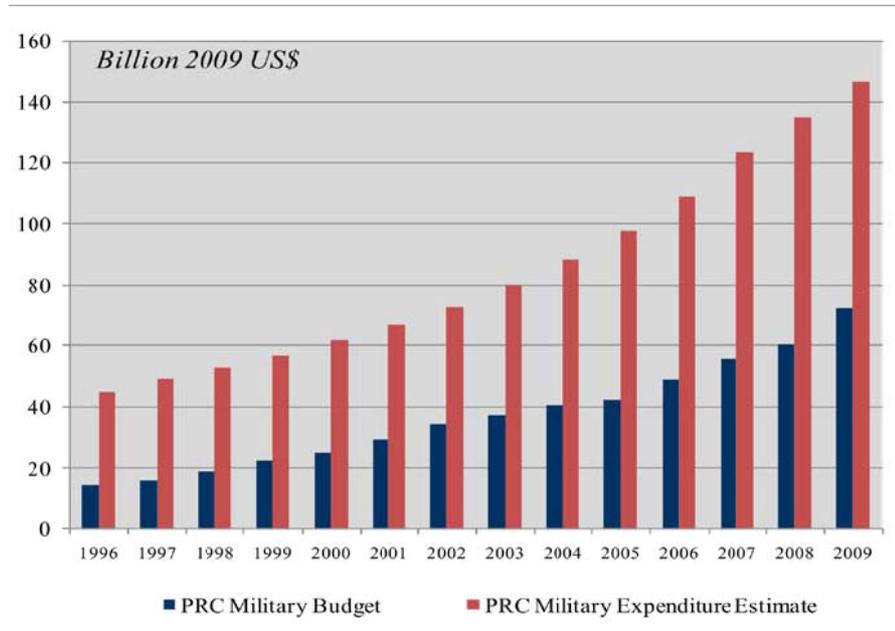
There are several specific forms of an arms race, such as in the race for missiles or in underground maritime capabilities, or in space, which may by themselves or in combination with others help transform military capability. In recent years this can also be extended to electronic and more specifically to electronic warfare, where development of virus and anti-virus software has become an important part of national defense.

CONCLUSION

This paper has attempted to narrate Asia’s emergence accompanied by some forbidding tensions and competitions. Sudden rise of one hegemon in a busy neighborhood has always tended to challenge the status quo, often through force. What might two hegemons then achieve? There are many certainties and positive developments in Asia today. But, the challenges too are numerous and formidable. Intense diplomatic efforts are required to create an environment of cooperation rather than competition. The ASEAN Regional Forum is attempting to show the way. Will it succeed to keep the balance in equilibrium or will future tensions develop. This generation of Asia’s leaders will have to be particularly careful.

Annexure A

CHINA'S DEFENCE EXPENDITURE



China's Annual Real GDP and Military Budget Growth, 2000 - 2009.

Note Annual Report to Congress, Military and Security Developments Involving the People's Republic of China, 2010. Office of the Secretary of Defence

Annexure B

INDIAN DEFENCE BUDGET

Table 2.1
Service/ Department-wise Break-up of Defence Expenditure

Service/ Department		2007-08 Actuals (Rev + Cap)	2008-09 Actuals (Rev + Cap)	RE 2009-10 (Rev + Cap)	BE 2010-11 (Rev + Cap)
Army		45803.35	57676.91	70161.79	74019.95
Navy		15885.41	17248.01	21208.49	21467.51
Air Force		23593.95	29271.06	33318.38	40462.45
DDP	DGOF	(-)38.89	1834.91	2486.25	1015.53
	DGQA	331.92	493.34	574.28	569.84
	Total	293.03	2328.25	3060.53	1585.37
R&D		6104.54	7699.05	8514.81	9808.72
Total		91680.28	114223.28	136264.00	147344.00

DDP - Department of Defence Production
 DGOF - Directorate General of Ordnance Factories
 DGQA - Directorate General of Quality Assurance
 R&D - Research & Development

Note; Government of India Annual Defence Budget 2009-2010.

Amount in INR Crores = 10,000,000; One USD = 47 INR approx OR total defence budget = US \$ 31.349 bn.