China’s Maritime Relations with South Asia: From Confrontation to Co-operation (Part One)

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Summary

This two-part Strategic Analysis Paper will examine China’s maritime relations with South Asia since it adopted its policy of “opening up to the outside world” in 1978. It identifies the place occupied by the Indian Ocean and South Asia in China’s maritime strategy, and then identifies the appropriate means of dealing with global and regional maritime security concerns regarding China’s maritime strategy – including the so-called “string of pearls” theory – as far as those regions are concerned. Part One of this paper:

- Lays the outline of a general framework for analysing the maritime dimension of international relations;
- Analyses China’s maritime strategy; and
- Establishes the importance of the Indian Ocean and South Asia to China and analyses the issues arising from it.

Part Two will:

- Examine maritime co-operation in the Indian Ocean and South Asia; and
- Examine China’s participation in global and regional maritime co-operation.

A Framework of Analysis

Oceans are comparable to mountain ranges and deserts as a “space” that separates areas of human settlement. Through the course of time, with the development of technology, oceanspace has become increasingly important, both as a medium of transportation and as a

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1 Strictly speaking, an analysis of China’s maritime relations with South Asia would include the coastal states of Pakistan, India and Bangladesh, the island state of Sri Lanka, and the archipelagic state of Maldives. Since, however, the coastal state of Burma (Myanmar) is important to the maritime space off South Asia, it too is included in this analysis.

2 This framework of analysis is based on Mahan (2003), Corbett (1988), Pinto (1992) and Graham (2006).
repository of living and non-living resources. Thinking about ocean-space in terms of military strategy involves thinking about “using” it by actual or threatened force, in the interest of one country or a group of countries, against the interest of another country or group of countries. The United Nations Convention on the Law of the Sea (UNCLOS) can be thought of as an attempt to provide a set of rules aimed at peacefully regulating the use of ocean-space in the interest of all countries.

The greater the link between a country’s national economy and the international economy, the greater will be the importance of ‘economic Sea Lines of Communication’ (SLOCs) to it. This needs to be qualified, however, by pointing out that below the threshold of “total war”, a country is unlikely to exhaust its stockpiles of necessary materials for sustaining a war effort. Therefore, even if a country’s economy is closely linked to the international economy, below the threshold of total war, economic SLOCs may not be of crucial importance to a country’s war effort whereas, in a condition of total war, economic SLOCs are certain to be of vital importance to such a country’s war effort. Given that ships carry over 90 per cent of international trade, sea lanes are vital to the functioning of the international economy.

Military strategy prescribes convoys (i.e. merchant ships escorted by naval ships) and patrolling as ways in which a country can secure the SLOCs that are important to it. In a context of shared sea lanes, however, securing one’s own SLOCs can make those of another country insecure. The UNCLOS and other related institutional mechanisms for international co-operation seek to provide a system of regulations for making sea lanes secure for all countries. Alongside inter-state conflict, terrorism-at-sea and piracy have also emerged as significant threats to the security of SLOCs/sea lanes in recent years.

**China’s Maritime Strategy**

Ni Lexiong, Kane and Kondapalli indicate that there is a link between China’s “blue water” maritime strategy and the opening, or liberalisation, of China’s economy in the context of the overall post-Mao reform initiated under the leadership of Deng Xiaoping. While Ni Lexiong argues that China’s sea power strategy should be constructed in such a way that it can compete with other states without alienating itself from the international community, Kane interprets the growth of China’s maritime power primarily in competitive terms as part of an overall grand strategy to improve its position in terms of power at the regional and international level.

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3 For purposes of analysis, Graham (2006) distinguishes between ‘economic sea lines of communication’ and ‘military sea lines of communication’. The former applies when sea lines of communication are used to conduct maritime trade; the latter when they are used to project military power.

4 The two phrases “sea lines of communication” and “sea lanes of communication” are both often abbreviated to the acronym “SLOC”. The term “line” indicates the shortest possible distance between two points, while the term “lane” indicates a transport route. Since both “lane” and “communication” refer in this context to transport, the term “communication” in the phrase “sea lanes of communication” is rendered redundant. It is possible to argue, therefore, that the correct terms would be “sea lines of communication” and “sea lanes”; hence, the acronym SLOC should denote only the abbreviation of the phrase “sea lines of communication”. It is also important to keep in mind that one can refer to a nation’s, an alliance’s or a coalition’s “sea lanes”. That is to say, while the phrase “sea lines of communication” is applicable only in a limited context, the phrase “sea lanes” is more broadly applicable. This is perhaps what makes it possible for the two phrases to be used interchangeably. Finally, it is important to keep in mind that a “sea line of communication” on a map represents a “sea lane” in the real world. Chapter two in Graham (2006) provides a detailed analysis of the concept of SLOCs.

global levels.⁶ For You Ji and Kane, whether the People’s Liberation Army-Navy (PLA-N) will become a blue water navy or not depends on China’s economic growth and military modernisation. For Xu Qi a ‘revolution in military affairs with Chinese characteristics’⁷ would also strengthen the PLA-N. While Xu Qi argues that a more powerful PLA-N can contribute to regional development and peace, Kondapalli argues that the rise in China’s naval power could also create regional instability. If one considers these arguments in the light of our framework for analysing the maritime dimension of international relations, what is clear is that the growth of China’s seaborne international trade gives it an increasing stake in the security of international sea lanes, and one could argue that this makes a blue water navy and an appropriate maritime strategy a necessity from China’s point of view.

\textit{China’s Maritime Relations with South Asia}

China’s maritime relations with South Asia are interpreted as part of a perceived “Chinese encirclement” of India. The articulation of the notion “China’s string of pearls” brings into sharp focus the maritime dimension of this “encirclement”.

According to Pehrson the phrase “string of pearls” was first used to describe China’s emerging maritime strategy in a report titled \textit{Energy Futures in Asia} by defence contractor Booz Allen Hamilton in a report commissioned by the Office of Net Assessment of the US Department of Defense in 2005.⁸ The string of pearls extends from the coast of mainland China, through the littorals of the South China Sea, the Strait of Malacca and the Indian Ocean, to the littorals of the Arabian Sea and the Persian Gulf. The specific “pearls” in the “string”, as originally articulated, consisted of: Hainan Island, with recently upgraded military facilities; an upgraded airstrip on Woody Island in the Paracel archipelago; the deep water port under construction in Sittwe, Burma; the proposed container shipping facility in Chittagong, Bangladesh; and the naval base under construction in Gwadar, Pakistan (see Map 1, below). Port and airfield construction projects, diplomatic ties and force modernisation form the essence of the string of pearls. It could enable China to establish a forward presence along the SLOCs that connect it to the Middle East.

Pehrson points out, however, that the string of pearls may not be an explicit strategy of China’s central government, but rather a term applied by some in the United States to describe a specific aspect of China’s foreign policy. He argues that while China may not have the same perception of its policy as does the United States, economic benefits of relations with China and China’s diplomatic rhetoric have been an enticement for countries to facilitate China’s strategic ambitions in the region. He also argues that, in Asia, the United States has been facilitating freedom of navigation on the high seas, and that the string of pearls raises an important question: will China let the United States continue to fulfil this role, or will it attempt to assert its own primacy in the region?

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According to Goldstein, ‘peaceful development’ was a strategy adopted by China in the mid-1990s to enable it to pursue economic growth and modernisation and, at the same time, reduce the risk of other nations perceiving it as a threat. Pehrson goes on to argue that, while on the one hand, the string of pearls may support peaceful development and may be a measured and prudent hedging strategy, on the other hand, it could also be the beginning of a bid for regional dominance. One must note here, however, that, as pointed out by Pehrson himself, the notion of China’s string of pearls is not attributable to Chinese sources, and that it has originated as a part of US perceptions of China’s maritime strategy and foreign policy.

The Indian analyst Kanwal argues that, while China professes a policy of peace and friendliness towards India, its deeds clearly indicate that concentrated efforts have been underway for the last several decades aimed at the “strategic encirclement” of India through efforts to create a string of anti-Indian influence around India through military and economic assistance programmes to neighbouring countries, combined with complementary diplomacy. Garver goes on to argue that while one should not necessarily accept the

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proposition that China is motivated by the strategic calculations attributed to it by Kanwal, one can accept this view as representing Indian perceptions.\textsuperscript{10}

While the notion of “Chinese encirclement” is certainly a part of India’s perception of China’s strategy and policy in South Asia, it is not the whole of India’s perception of the same. As Hoffman indicates, India’s perception of China’s grand strategy is more balanced, nuanced and is not exclusively limited to the perception of Chinese encirclement.\textsuperscript{11}

Nevertheless, Indian analysts such as Arasakumar, who are influenced by the perception of Chinese encirclement, point out that China’s effort to gain a strategic foothold in India’s neighbourhood in the Indian Ocean includes seeking naval and commercial facilities in Bangladesh, building naval bases and electronic intelligence gathering facilities at Great Coco Island off the coast of Burma, the funding of a canal across the Kra Isthmus, and the development of the strategically important port at Gwadar, Pakistan. According to him, India views this as encirclement, and has been periodically expressing its concern to its smaller neighbouring countries regarding their military/security ties with China.\textsuperscript{12} Similarly, Mohan points out that the expansion of China’s maritime profile in the Indian Ocean is apparent from what we see in relation to the so-called string of pearls strategy.\textsuperscript{13} Hence, there is an overlap between the American notion of China’s string of pearls and the Indian notion of Chinese encirclement.

Given China’s involvement in the Hambantota port development project in the Southern Province of Sri Lanka, Mohan and Peiris have subsequently added Hambantota to China’s string of pearls. According to Rodrigo, however, who also happened to be Sri Lanka’s Ambassador to China in the first half of the 2000s, the economic benefit accruing to China and Sri Lanka is the driving force behind the Hambantota project, although there is, of course, some “imaginative speculation” about the “so-called military and strategic aspects”. Moreover, Peiris has noted that New Delhi does not seem to be overly concerned about the Hambantota project, given the strength of India’s own relations with Sri Lanka.\textsuperscript{14}

While there has been some speculation about Chinese links to maritime facilities in the Maldives,\textsuperscript{15} these reports do not appear to have been confirmed to date. Meanwhile, stronger defence co-operation between India and the Maldives has been posited as a way in which India can counter China’s string of pearls.\textsuperscript{16}

\textsuperscript{15} Thaidendian News, 20 August 2009.
As Garver and Hu Shisheng point out, South Asia can provide maritime trans-shipment points for the international trade of China’s western provinces. Garver also notes that the same routes that facilitate the transport of trade through Central, South-West and South Asia, can also facilitate military mobilisation. Moreover, the increasing amount of energy imported by China from the Middle East and Africa has to be transported through the Indian Ocean. As noted above, if China’s increasing international trade gives it a greater interest in developing a blue-water navy, it is also the case that facilitating the international trade of its western provinces and securing its energy imports from the Middle East and Africa give China’s maritime strategy a greater interest in South Asia and the Indian Ocean.

Two aspects of China’s maritime strategy are of concern in this regard. These are the PLA-N’s ability to operate in the Indian Ocean and the related issue of availability of support from littoral countries. Both Kondapalli and You Ji see the PLA-N as likely to develop such capabilities in the coming decades. Garver has pointed towards an inevitable geopolitical rivalry between India and China in the Indian Ocean, involving competition for influence in countries such as Pakistan, Burma, Sri Lanka and Bangladesh. China’s concerns regarding the security of its seaborne energy imports from the Middle East and Africa has complicated the situation.

The notion of China’s string of pearls that has been discussed in connection with its maritime strategy and foreign policy has a lot do with US concern about the growth of China’s influence in the high seas off Asia. As pointed out earlier, the US notion of China’s string of pearls overlaps with the Indian one of Chinese encirclement, indicating that there is some commonality in US and Indian perceptions of China’s maritime strategy and foreign policy. It is important, therefore, to place the possibility of an India-China rivalry in the Indian Ocean in the context of the predominance of the United States Navy (USN) in those waters.

Kondapalli argues that, given the fact that the United States and India are very influential in the Indian Ocean, and taking into account China’s sensitivity to leadership issues in multilateral security initiatives, Beijing is attempting to unilaterally maximise its security through client and quasi-ally states in the Indian Ocean. On the other hand, You Ji argues that both India and China have to come to terms with the predominance of the USN in the Indian Ocean, and that Chinese naval power is more likely to be projected against the US than against India. At the same time, however, Kondapalli points out that the energy issue may lead to co-operation between China and India and You Ji notes that comprehensive co-operation with India in the energy sector could be an effective way for China to resolve its oil transportation dilemma in the Indian Ocean.

18 As reported by McGregor et al in January 2006, China and India signed a Memorandum of Understanding in the energy sector. Apart from agreeing to co-operate in securing crude oil resources in third countries, it also involved co-operation across the oil industry, from exploration to marketing. You Ji argues that energy co-operation with India is the most effective way for China to resolve its oil transportation dilemma. Energy co-operation can give each a stake in the other and raise the cost for each of resorting to assertive means for unilateral gains. Energy co-operation can also put a stop to the spiralling costs of competition incurred by both which, for China, adds to its oil transportation concerns in the Indian Ocean. Therefore, he is of the view that
At the same time, despite the cause for pessimism regarding China’s participation in multilateral security initiatives, there are grounds for arguing that the development of institutional mechanisms for multilateral maritime co-operation in the Indian Ocean and South Asia – and China’s increasing participation in the same – could also help to address global and regional concerns regarding its maritime strategy as far as the Indian Ocean and South Asia are concerned. Part Two of this paper will examine those prospects.

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