

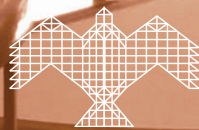
R26-2014

Report by
M. Mayilvaganan
Aditi Malhotra
Viswesh R
Sadhavi Chauhan



SEMINAR REPORT

ASIA-PACIFIC POWER DYNAMICS: STRATEGIC IMPLICATIONS AND OPTIONS FOR INDIA



International Strategic and Security Studies Programme

NATIONAL INSTITUTE OF ADVANCED STUDIES

Bangalore, India

Seminar Report

ASIA-PACIFIC POWER DYNAMICS: STRATEGIC IMPLICATIONS AND OPTIONS FOR INDIA

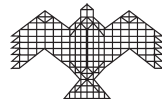
Report by

M. Mayilvaganan

Aditi Malhotra

Viswesh R

Sadhavi Chauhan



International Strategic & Security Studies Programme (ISSSP)
NATIONAL INSTITUTE OF ADVANCED STUDIES
Bangalore

<http://issp.in/>

© National Institute of Advanced Studies 2014

Published by

*National Institute of Advanced Studies
Indian Institute of Science Campus,
Bengaluru - 560012
INDIA
Tel: +91-80-2218 5000; Fax: +91-80-2218 5028*

NIAS Report: R26-2014

ISBN 978-93-83566-07-5

Typeset & Printed by

*Aditi Enterprises
Bengaluru - 560 023
Ph.: 080-2310 7302
E-mail: aditiprints@gmail.com*

TABLE OF CONTENTS

| | |
|--|-----------|
| 1. EXECUTIVE SUMMARY | 1 |
| 2. SEMINAR PROCEEDINGS | 5 |
| 1.1 Inaugural Session | 5 |
| 2.2 Session I: Perspectives from China | 6 |
| 2.3 Session II: Perspectives from the US and Russia..... | 9 |
| 2.4 Session III: Perspectives from Southeast and East Asia | 13 |
| 2.5 Session IV: Perspectives from India | 16 |
| 3. INFERENCES..... | 20 |
| ABOUT ISSSP | 24 |

1. EXECUTIVE SUMMARY

BACKGROUND

China's rise, unresolved maritime disputes in Asia Pacific, and the US pivot to Asia have led to the re-emergence of Asia-Pacific as a strategically important region. This new found focus has created a growing need to understand the regional dynamics in a more nuanced way. Given this backdrop, the International Strategic and Security Studies Programme (ISSSP) of the National Institute of Advanced Studies (NIAS), Bangalore has been engaged in a medium term project focusing on China. A primary objective of this project was to study the behaviour of regional countries in the face of a crisis in the Asia Pacific. As a part of this effort, ISSSP organised a seminar titled 'Asia-Pacific Power Dynamics: Strategic Implications and Options for India' on March 10, 2014.

SEMINAR FINDINGS

Based on the proceedings of the seminar the following inferences on the behaviour and strategies of the major players in the Asia Pacific Region can be made.

China

- China's economic performance and its military modernization have made it a major power in the Asia Pacific Region.
 - Though there is a great deal of economic inter-dependence between China and the US, there is great trust deficit that spills over into the strategic and military domains. This has created a new Cold War type situation between the two countries.
 - There was agreement among the participants that China is behaving in an increasingly assertive and aggressive way with its neighbours in the region. This assertive behaviour is particularly prominent in the East and South China seas. This behaviour was directed not only at US allies but also at other countries in the region.
 - China's aggressive behaviour seems to have the full support of the Party and the PLA. The PLA remains under the firm control of the Party. Participants felt that this assertive behaviour would continue.
 - China's relations with prominent US allies such as Japan and Philippines have become significantly worse following a string of maritime incidents. Other countries such as Vietnam have also been subject to Chinese harassment.
 - China's behaviour towards the ASEAN group of countries also suggests that it thinks it has a dominant power position.
 - There seems to be a gap between Chinese local bullying behaviour and the overall strategy that seems to advocate a more reasoned rise.
 - Participants described this variously as "psychological flux", "muscular leadership" and "no clear sense of direction".
- The seminar proceedings raised a

number of questions related to the motives behind China's behaviour. Some questions are as follows:

- Is China's increased belligerence based on the premise that US power is on the decline and that it can now match the US at least in the region?
- With the presence of "US pivot" and the notion of "Air Sea Battle," does China believe that it has in place a strategy to deter the US from intervening in the region? or
- Is the increasing assertiveness based on the belief that the US wants to deter China from bullying its neighbours but will not move towards containing China?
- By implication does this mean that China does not take the "US pivot" and the "Air Sea Battle" as a hindrance to or a constraint on its actions? or
- Is the Chinese behaviour a consequence of a gap between the local and global strategies or between the tactical and the strategic? What are or what could be the reasons for this gap? Or
- Is China's assertiveness a part of a well thought out integrated approach towards the eventual re-establishment of China's dominant position in the region?
- Though some participants raised the question of a new world order with China and the US as dominant power centres, the issue did not emerge as a major point deserving serious consideration.

The USA

According to the seminar participants the recent US pivot to Asia Pacific region could be interpreted in many ways.

- It can be seen as a move away from a dominant or hegemonic position towards a rebalancing position.
- It can also be seen as a US response to contain a rising China. Many participants mentioned that this was the position that the Chinese were taking in response to the "US pivot" and the concept of "Air Sea Battle".
- There seemed to be a broad acceptance amongst the participants that the US actions were not aimed at containing China but rather directed towards deterring China's bullying tactics.
- The view that the US sees India as an important ally in its rebalancing strategy also seemed to find acceptance.
- When the sessions on China and the US are viewed together, the seminar proceedings seemed to suggest ambiguities in both Chinese and American perceptions regarding each other's motives and intentions in the Asia Pacific area. These grey areas could sow the seeds for future conflicts in the region.

Russia

- Russia would like to remain relevant as a major power centre in the region. The mature status of the European markets for oil and gas, and the growth prospects for them in the Asia Pacific region (especially in China) will force Russia to look eastwards rather than westwards. If China's response is positive especially in terms of economic investment in Russia's eastern regions, Russia may not have any problems in sharing power with China, as a part of the new political order in the region.
- Developments in Ukraine and their

consequences will also move Russia closer towards China to counter the moves from NATO and the western alliance. A Sino-Russian alliance of sorts could well happen soon.

Japan

- The seminar proceedings suggest that Japan is seriously worried about the rise of China and its increasing aggressive behaviour towards it. It is also worried about China's power and influence over a nuclear and missile capable North Korea that can be used to threaten and coerce Japan.
- Japan has responded to these developments by strengthening its alliance with the US. As a part of this alliance it will once again allow US bases to operate out of Japan.
- It is also improving its defence capabilities and if the constitution can be amended it is signalling the setting up of a self-defence force for the country.
- By signing security pacts with Australia and India it has also indicated its intentions to form alliances with other like-minded countries to counter China's aggressive behaviour.
- As a consequence, countries are pursuing their own approaches when dealing with this situation.
- Cambodia and Laos appear to be closely linked to China.
- Indonesia, the largest country of the ASEAN is trying to remain neutral by providing space to China but also seems to be worried about Chinese actions in waters close to it. It is looking new ways and means in dealing with these problems.
- Malaysia like Indonesia originally favoured a security architecture that recognized China's major role but after the spate of maritime incidents, it has moved along with the Philippines towards a multilateral code of conduct approach with the involvement of countries like the US and Japan.
- Singapore and Thailand are trying to work out arrangements which would favour the continuity of trade with China but also enable them to be linked to a security umbrella under the US.
- South Korea appears to be moving closer to China both in terms of trade and also because it believes that China can control North Korea. However, in case a major conflict breaks out, it might still look to the US to guarantee security.
- Given this large variation in interests, it appears unlikely that a grand alliance against China can materialize, even under US leadership. However new security arrangements between countries with similar interests that may include other major powers are already beginning to emerge. This may be the trend for the next few years.

The ASEAN Countries

The ASEAN as a collective body is divided on how it should deal with China's increasing assertiveness.

Some fall clearly within the Chinese camp while others fall within the US camp and many others would like to remain neutral.

- Most of the approaches adopted by them to build integrated security architecture with all the major players in the region such as the EAS have not delivered any great results so far.

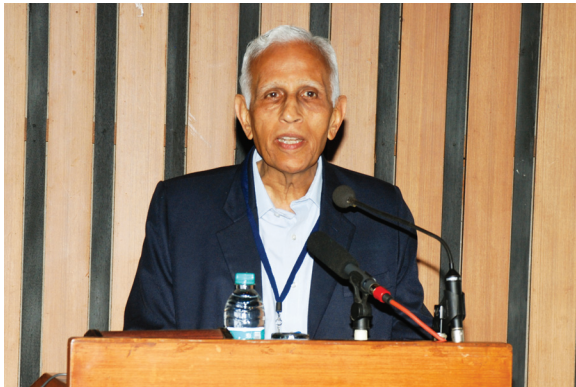
India

- India does not have a clearly articulated strategy for dealing with developments in the Asia Pacific region including the rise of China. The articulation of such a strategy that includes both hard and soft power components came out as the top Indian priority.
- Though Indian and US interests are increasingly aligned against China in many ways, India should not become a formal part of the US rebalance strategy. India should also make sure that it has the capabilities to deal with any problems with China on its own without having to depend on other countries.
- India should continue to actively engage with China in all areas while continuing to be watchful about Chinese actions and intentions.
- India needs to be proactive in its approach to the region especially with regard to the maritime domain. It must exploit emerging opportunities to send strong signals to all players, that it will preserve and protect its strategic interests. The absence of a clear 'Look East' strategy is currently hampering such efforts.
- In spite of the many problems within ASEAN, India should continue to engage actively and constructively with it.
- Apart from strengthening bilateral ties with countries like Russia, India also needs to look at trilateral agreements with the countries to strengthen its strategic position.

2. SEMINAR PROCEEDINGS

2.1 INAUGURAL SESSION

Prof. Rajaram Nagappa, Head of International Strategic and Security Studies Programme, NIAS opened the conference by welcoming attendees and giving a brief history of the organization and background of the seminar.



Prof. Nagappa then introduced the keynote speaker Ambassador CV Ranganathan, Former Indian Ambassador to China.

The title of Ambassador CV Ranganathan's keynote talk was "Geo-politics of the Asia-Pacific Region: Indian Perspective."

Ambassador Ranganathan started his keynote address by stating that it is difficult to predict the geopolitics of the Asia-Pacific region. He highlighted certain geo-political trends that would affect the region and how they would affect India.



These included the emergence of Jihadi movements, the increase in sectarian conflicts between Sunnis and Shias and the renewal of ties between Iran and the western nations, most of which could impact India negatively.

He went on to say that the economic rise of China was a reality and ways and means may have to be found to keep it in check. Resultantly, there is a revival of a new kind of cold war between the US and China. Doubts were raised about the US capacity to lay down rules for conflict resolution in the region. Recent developments in Ukraine tended to lend some substance to such arguments.

He said traditionally China has always attempted to exert influence in the South China Sea. However, to improve its strategic position, China has also increased its land links with Central Asia. China has often been guilty of exaggerating its accomplishments. Recent developments and

examples of Chinese assertive behaviour suggest that China is currently in a position of psychological flux.

China has so far had a peaceful transition due to its collective leadership, which has taken up the initiative of rejuvenating China. He also emphasized the relevance of using Chinese literature for understanding China instead of western literature.

On India-China bilateral relations, he highlighted the frequent visits exchanged by both the parties and the number of declarations that have been signed between the two countries at various levels. He spoke about Rajiv Gandhi's visit to China in 1988. He was the first prime minister to pay a visit to China in three decades. The visit understandably made many of the South East Asian countries unhappy. These same concerns are visible even today as South East Asian countries want India to act in a way so as to rebalance China's rising power in the region. As a response, he said, India should maintain its neutral position and not push itself into issues related to rebalancing. India's current position is such that it cannot afford to become a victim of a rebalancing strategy.

He underlined that what India really needed to do is to keep track of China's expansion and its relationship with Japan and Russia. He also stressed that China needs to resolve territorial issues in order to improve its engagement with India. The Chinese view international relations as an area where contradictions are inevitable since neighbours cannot be chosen to suit the country's needs. At the end of the address, he listed a few options for India. These included a stable government in Delhi that motivates development, improves governance and which emphasises a renewed focus on

national defence and national strategy. He concluded by stating India needs to face China with confidence and preparedness.



Dr Arun Vishwanathan, Assistant Professor in Strategic and Security Studies proposed a vote of thanks for the session and reiterated the keynote speaker's views on China.

2.2 SESSION I: PERSPECTIVES FROM CHINA

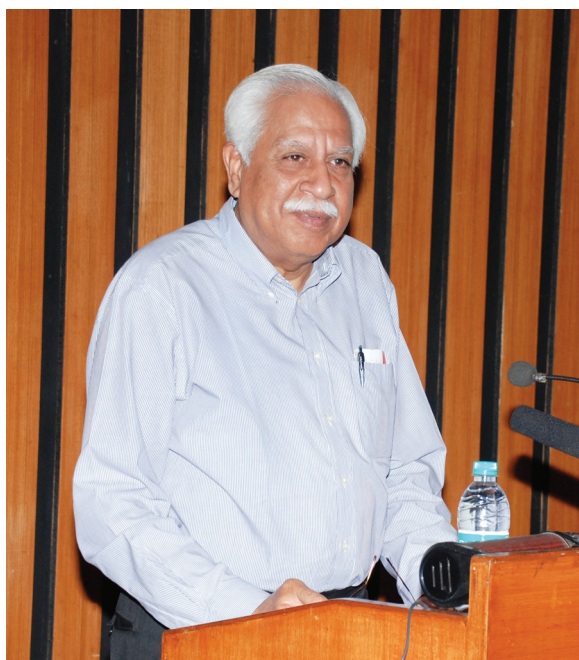


The session was chaired by Prof. S. Chandrashekar, JRD Tata Visiting Professor, NIAS. This session dealt with the structural dimensions of Asian geopolitics, the impact of bipolarity and multi-polarity, anxieties

related to power transitions making for an uncertain future, and the maritime dimension.

Papers were presented by Mr. Jayadev Ranade, President, Centre for China Analysis and Strategy; Member, National Security Advisory Board (NSAB); former Additional Secretary, Cabinet Secretariat, Government of India; and Distinguished Fellow, IPCS); Prof. Srikanth Kondapalli, Professor, Centre for East Asian Studies, Jawaharlal Nehru University and Mr. Mohan Guruswamy, Chairman and founder of Centre for Policy Alternatives, New Delhi.

The title of Mr. Jayadev Ranade's talk was "Asia-Pacific: Perspective from China."



Mr. Jayadev Ranade started his presentation by quoting China's Ambassador who had stated, that while the US is a super power in the Asia Pacific, China is indigenous to the region and will continue to be there for a long time.

He went on to say that it is important to keep in mind that the Chinese have always had a trust deficit with the US which has become worse since 1989. Like most countries the Chinese use a mix of cooperation, competition and confrontation in their relations with other countries.

Xi Jinping at the 18th National Party Congress put forth the concept of the "Chinese Dream," that seemed to express the collective desire of the country to have a muscular vision of the future. Mr. Ranade stated that this vision was not an individual aspiration of the leader but was in fact a collective reflection of the Chinese leadership that China is ready to reclaim its rightful position in the world especially in the South China Sea and the Asia-Pacific region.

Though China has grown in economic and military terms, Xi Jinping has ensured that the Party retains control over both the economy as well as the Security Apparatus including the modernisation efforts with respect to the People's Liberation Army (PLA). While the members of the party cell have expanded the strength of PLA particularly the Navy, they have also simultaneously brought it under the control of the Party. Many see this as a power consolidation move by Xi Jinping. According to Mr. Ranade, the PLA today is under direct party control and is not independent of the party. This in turn has encouraged Beijing to push for sovereignty, territorial rights, and Maoist indoctrination.

China has been extremely confrontational in the South China Sea. The leaders are extremely clear with their vision on issues concerning territorial claims. Xi Jinping has also gained approval in managing the various crises that have arisen as a result of an increasingly assertive territorial claims policy. In the speaker's assessment, China is

likely to continue to be assertive in pushing its territorial and sovereignty claims. This was reflected in China's recent posture when it confronted both the Philippines and Japan. It has also adopted a policy of no contact with Japan although people to people contact and bilateral trade continue. This reflects the unanimity of the party leadership on such issues. In fact, the Chinese have also signalled a warning to Japan by adopting a stringent stand of 'no policy exchange' till Shinzo Abe (Prime Minister of Japan) leaves office.

Chinese Foreign Minister Wang Yi has made it clear there would be no change or compromise on this matter or in the stand the Chinese have taken. Wang Yi has even made it clear that any intervention from the US would not be entertained or encouraged in any manner. According to the speaker there is no way the Chinese are going to compromise on the issue.

Prof. Srikanth Kondapalli's talk was on "PLA Modernisation and the Future of Asia-Pacific Security Environment."



Prof. Srikanth Kondapalli began the talk by expressing his views on Asia-Pacific Economic Cooperation (APEC), Chinese military capabilities and its dispute with Japan over Senkaku Island.

According to him, relations between China and Japan have witnessed a setback since 2010 over their claims on Senkaku Island. The implications are that the US presence in the region will be determined by Japan and China's actions with respect to the island.

The speaker went on to explain the significance of the South China Sea, whose waters account for 40 percent of trade in the region. As a result, China is pushing for an increasing role in ASEAN. In spite of China's assertive posture in the region, there is no clarity on its strategic direction.

Although the direction that China has been taking can be confusing, the expression of its capability has been definite. The PLA today is a serious force with significant capabilities. And there is no doubt that China is contesting for power in the Pacific region as it has established an Air Defence Identification Zone (ADIZ). However, the speaker ruled out the creation of similar ADIZ in the South China Sea since the Chinese want to maintain cordial relations in the area because of its importance as a trade route.

As per the 18th National Party Congress held on November 15, 2012, the Chinese have announced that the PLA will defend its interest in the region. As quoted in the 12th Chinese Five Year Plan, the PLA would conduct training, military preparations, sharing of military information and exercise training with foreign military forces. The Chinese have also been subjugating people in the regions of Taiwan and Tibet. China's presence in Taiwan has led to an increase of 1% in its GDP. In Tibet, the subjugation efforts are seen in the 29 military exercises that they have carried out. Military modernization and security over the peninsulas have also increased and training exercises have been

conducted. In the words of Prof. Kondapalli, China's military modernization has been substantial, particularly in terms of the hardware. However, in terms of software the country still faces some problems.

Mr. Mohan Guruswamy spoke on "Economically How's China Doing and What it Means for Others?"



Mr. Mohan Guruswamy began by emphasizing that people are important for economic growth of a country. Unfortunately, the young population in China is declining and this has become a cause of concern. China is on the path of an ageing society and this could drastically curtail its growth trajectory.

Mr. Guruswamy stated that though China has been growing at a fast rate, its ageing population would eventually slow down its rate of growth. The young workforce that had made the largest contribution to the economy would soon become old. Currently, China has 60 million people who are over 60 years of age. He stated that the CPC's one child policy had not only adversely affected the fertility rate but has also been responsible

for the country's population growth targets not being met. China's desperate attempts to keep its economy running while at the same time taking care of growing consumption levels has proved to be a formidable challenge.

He also said that with a large number of young people opting for higher education, China's young working population has been rapidly declining. China has to therefore re-strategize its policy to factor in these demographic trends that will impact its GDP growth. Based on some assumptions that are reasonable, countries like India, the Philippines and Thailand would be growing at a greater pace by 2050. This in turn could affect the Chinese economy. Given the current state, it looks like China is following Japan's footsteps both in terms of work and demography. Adding to the Chinese woes, he said the US, which has been one of the largest importers and consumers of Chinese goods, has seen a fall in its consumption level. This once again raises concerns for China.

In the discussion, the following issues were discussed. The lesson India can learn from the Chinese experience, the possibility of India building allies in the region, command and control mechanisms in China and the prospect of China going in for deterrent patrols.

2.3 SESSION II: PERSPECTIVES FROM THE US AND RUSSIA

The session was chaired by Dr. D. Suba Chandran, Director, Institute of Peace and Conflict Studies (IPCS). This session dealt with perspectives from the US and Russia on the changing power dynamics in the Asia-Pacific Region.

The questions posed to the speakers included the following:



- What would constitute of the Asia Pacific region?
- How would the major powers react to the emerging geo-politics of the region? What would be the consequences of such reactions?
- What are the factors that may influence the US to work towards bringing about a consensus on Asia-Pacific?
- To what extent would Russia's attempt to re-engage in the region impact the notion of Indo-Pacific?
- What compels Russia to consider itself a major stakeholder in the region?

The panellists were Prof. Chintamani Mahapatra, Professor, Centre for American Studies, Jawaharlal Nehru University and Ambassador M K Bhadrakumar, Former Ambassador to USSR.

Prof. Chintamani Mahapatra spoke on “The perspective from the US” towards the emerging developments in the Asia Pacific Region.

Prof. Chintamani Mahapatra commenced his talk by saying that economic

forecasts were all based on one fundamental assumption – that all other factors remained the same. The reality in Asia, he said, was that the US would always be around. For over two years, the Obama Administration has been articulating a new strategy for its future role in Asia.



In fact this US pivot towards Asia is very evident since 2008 when the former Secretary of State Hilary Clinton had articulated this both in her writings as well as in her speeches.

Prof. Mahapatra then went on to state that within the US, this new approach to the Asia-Pacific region was articulated in different forums in different ways and from different perspectives. Some have viewed it as a US move away from its stance of hegemony towards a stance of regional rebalancing after the negative experience of unwinnable wars in the past decade. Others consider this as a response to the rise of China. There are also some who see this as the US effort of revisiting and re-engaging with the region due to the Bush Administration's negligence of the Asia-Pacific.

Finally, he mentioned that some consider this 'pivot' as the US move to catch up with changes in the region. As

a result, some call it 'pivot to Asia'; some 'Asian Rebalancing Strategy' and others call it 'America's return to Asia'. Whatever may be the label of Obama's new initiatives towards Asia; it reflects a renewed focus of the US on the Asia-Pacific region that has been under a shadow for over a decade during which the Bush Administration and the Obama Administration were engaged in executing two wars in South and West Asia (Afghanistan, 2001 and Iraq, 2003).

During this time while the two American Administrations were busy fighting terrorists and insurgents, a paradigm shift had taken place with the rise of China as the predominant player in the Asia-Pacific region. Meanwhile, most American allies had found in China not only a major trade partner but also an investor in their domestic economies.

China made great use of its new economic muscle to expand its nuclear, missile and naval capabilities. It also soon buried its concept of peaceful rise and began to make assertive in its territorial and maritime claims. In order to weaken China's influence in the Asia Pacific, President Barack Obama had to announce his Asia Rebalancing Strategy. Prof. Mahapatra also mentioned that the Pentagon had provided evidence of the pivot strategy through its announcement that henceforth 60% of naval resources would be deployed in the Asia-Pacific region. China's classification of this as a 'new containment strategy' was countered by the US which stated that in view of the Trans-Pacific Partnership already in place, there was no 'pivot', but only a 'rebalancing'.

Prof. Mahapatra then reiterated that in terms of strategy, the objective of the US is not to 'contain' China, but to 'deter' it from bullying its neighbours. As a corollary, therefore, the US should try and ensure that

the two militaries, particularly the navies, should operate closely. In this context, he said, India finds a key place in the new American strategy for certain valid reasons. The enhanced bilateral defence and security cooperation between India and the US in recent years had in fact altered the dominant paradigm of their relationship.

The US wanted to help India grow as a major global player and a security provider in the Indian Ocean. He highlighted that both President George Bush and President Barack Obama had welcomed India's 'Look East Policy' and also encouraged India to elevate this policy to an 'Engage East Policy'. He also said that the US Defence Secretary, Leon Panetta, had made it clear during his visit to India that India would be a 'linchpin' in the American Rebalancing Strategy in Asia. This provides additional evidence of the altered US approach towards India.

Ambassador M K Bhadrakumar focused on emerging developments in the Asia-Pacific Region from a Russian perspective.



Amb. M K Bhadrakumar began by stating that he would concentrate mainly

on the issues related to Russia vis-à-vis the geopolitics of the Asia-Pacific region. He added that this had acquired increased relevance in view of the developments in Ukraine. He said that the Russian strategy in Asia-Pacific is full of ambivalence and this could be very useful to India.

The Russian perspective on the developments in the region and their implications for Russia had not changed significantly. In his view, Russia faces a problem of differing perceptions in different regions. In Europe, the Russians are seen as Tartars / Tatars, but in Asia Russians are seen as Western Europeans. He stated that developments in Ukraine show that Russia is caught between Europe and a rising China, in its strategic calculations. China's rise, and also South Korea's rise, presents the world with an alternative model to that presented by Russia. Russia would also like to be as relevant as before to the two Koreas. According to him, the Asian paradigm in Russia is very important as it no longer wants to be marginalised. Economically, Russia is dependent on the Asian markets and the Asian-Pacific region is directly linked to it.

According to him, Russia is interested in the Asian oil and gas markets. Hence the Asia-Pacific strategy is also linked to the overall Russian strategy. Russia is also Europe's primary energy supplier. In his view, the best days of the European market for Russian gas are clearly over. As an alternate market, China has a 12% growth rate for gas consumption and double the rate for Russian food exports to China. He stated that Russia shares strong relations with China that foster energy links. It is also moving forward with stronger relations with Japan. For Russia, the global strategic balance is a trump card. This is central to the Russian view of the US-China-Russia balance in Asia-Pacific.

Amb. Bhadrakumar was of the view that the security situation has deteriorated in the Asia-Pacific region and relations between the different actors are both complex and diverse. There is an asymmetry in the US attitude towards the countries in the region. While the US and Russia has parity of nuclear forces, China and Russia do not share nuclear parity. Eight of the fourteen US missile submarines are now in the Pacific. China's relationships with the US and Russia remain ambiguous. The US-Russian relations also saw its lowest point in between on Ukraine issue. He referred to this situation as "Cold Confrontation". The major partners of Russia are more interested in commerce. Thus at this strategic juncture Moscow is facing a dilemma. He further stated the Russian elite perception of China is full of contrast. Therefore, for Ambassador Bhadrakumar Russia's attitude towards China is to be understood through its silences.

In the backdrop of European developments he also spoke about the ambiguous nature of the EU-Russian relationship and the notion that Russia was a part of the European civilization is largely a Western idea. He concluded the talk by saying that it is better for Russia if Chinese investment flows to its Eastern Regions, China joins the Arms Control process, and that it limits the number of Chinese ICBMs and IRBMs, in the hope that this will stop the US from deploying Missile Defence systems in the Asia-Pacific region.

In the discussions that followed a number of issues were discussed. These included: the American move to join the East Asia summit, the possibilities of a Russia-led Eurasian Union, the stand that Russia would take if there is a conflict in the South China Sea and US expectations from India with regard to rebalancing.

2.4 SESSION III: PERSPECTIVES FROM SOUTHEAST AND EAST ASIA



This session was chaired by Vice Admiral (Retd.) Vijay Shankar, Adjunct Faculty, NIAS. The purpose was to examine how countries in Southeast Asia and East Asia perceive the changing geopolitics in the Asia-Pacific region.

Papers were presented by Ambassador Hemant Krishan Singh, Former Ambassador to Japan and Indonesia & Chair Professor, ICRIER-Wadhvani US Chair and Prof. K. V. Kesavan, Distinguished Fellow, Observer Research Foundation.

The chair introduced the session by posing a set of challenges to the speakers. The first challenge is that with the coming of a new power - China, the immediate reaction is to rewrite the rule book. While this might happen the relevant question to ask is how is it done?

The second challenge is with the increasing competition for access to resource and the commensurate building up of forces to implement various strategies such as access denial etc. Apparently China's larger game plan now includes protecting sea lines of communication and areas of interest

including vast seas that have disputes. By taking measures to protect these, China is upping the ante.

The creation of ADIZ by China - a practice adopted earlier by the West and other countries - has no legal backing and presents the third challenge. Even if this is carried out there is a principle that one's ADIZ does not overlap with the ADIZ areas of others because control in such situations would be difficult. He also emphasised that the prognosis that a surprise attack by China is possible in the present circumstances is absurd.

Amb. Hemant Krishan Singh spoke about the important issues that Southeast Asian countries are facing today.



Amb. Hemant Krishan Singh spoke about ideas such as post-cold war power dynamics in the region and prospects for a new regional security order.

He stressed that in the post-cold war era, ASEAN led initiatives to establish dialogue forums approached security as a cooperative

and inclusive venture. This was a change from traditional security arrangements such as the US led pivot and their hub and spoke system.

The ASEAN approach had coexisted with US led approaches and had served as a stabilising force. This approach has helped in managing the stresses and strains related to order and stability in Southeast Asia. The EAS which came into being after 20 years of difficult negotiations sought to bring about integration in Asia. It began in the 1990s and ended up with the inclusion of India. It was intended to move beyond a geographically delimited regional community based on ASEAN+3 model. In his view, after its formation in 2005, the progress of the EAS is marginal. It has only assumed a very limited soft security role and is yet to reach its potential.

In the last few years, the far reaching changes in the strategic weight of the different players within and between the region and other major power centres of the world, have heightened the scale and complexity of the security challenges facing the region and the world. There are clear signs of intensifying regional competition between states that include security challenges as well. In his view, economic interdependence cannot by itself ensure peace. On the contrary, the continued economic progress in the region depends on a reliable stable geopolitical order. There is therefore a need for multilateral security and economic arrangements to facilitate the socialization of security issues and provide space for collective and cooperative security actions.

While highlighting the major challenges in the region, Ambassador Singh stated that unlike the states of Europe that were relatively homogenous, the states in the region

exhibited great diversity in their political characteristics. This posed significantly greater complexities for building a security order. Powers in the region have varying capabilities. As a consequence, there is a large stress on the security of the region. There is also an ambiguity about the US rebalance for its allies. This ambiguity seems to provide too much strategic reassurance to China for the pursuit of a policy that could result in instability in the region. The uncertainty is about the US pivot and whether it can become a stabilising force in the region.

The main challenges in the South and East Asian regions arise from China's territorial assertions, its military upgradation and the unilateral course of actions that it is increasingly pursuing. Clear evidence for this can be seen from the stalled process for the working out of a Code of Conduct in the South China Sea. All these are symptoms of China's assertive rise.

In view of these developments, the various states in the region are reassessing their regional security matrices. For example, Australia which was always Asia Pacific in nature, pioneered APEC and APC, and recently started developing an Indo-Pacific orientation. As a result of Australia's intervention, there is a tension between Indonesia and Australia which is similar to the Cold War. The Chinese have taken advantage of this and are using Indonesian waters for their naval exercises. This reveals the difficulties in integrating Australia into the regional security framework. He also spoke about military manoeuvres by China in the Indian Ocean as a cause of concern. Indonesia's response to regional security issues can be summarized as a dynamic equilibrium i.e. building systems based on trust and confidence, create webs of multiple

ASEAN led frameworks, avoid grand coalitions and provide space to regional powers.

On Malaysia, Ambassador Singh stated that Kuala Lumpur had for many years favoured a regional architecture that gave prominence to China. Along with the Philippines, they brought a code of conduct in the South China Sea. Malaysia and the Philippines have become strong proponents of multilateral frameworks including new security arrangement with the US and with Japan. Cambodia and Laos are more aligned with China on security architecture.

Similarly, Singapore and Thailand hedge their approach towards China on economic matters but favour security arrangement with the US. With Korea moving closer to China and moving away from Japan due to historical reasons, there are difficulties for the US in forming a North-East Asian security arrangement. In the end, he stressed that India can support any security architecture in this region if there is a renunciation of coercive measures in the settlement of disputes.

Prof. Kesavan spoke on Japan's Perspective on the Changing Power Dynamics in the Asia-Pacific region that included South East, North East and East Asia.



According to Prof. Kesavan, Southeast Asia is experiencing major economic, scientific and technological developments. He highlighted the economic development of India and China which is dramatic and the effects of which are felt all over the world.

There are both positive and negative trends emerging in the Asia-Pacific region. On the positive side, the region is integrating very fast. There has been increasing economic interdependence. Countries are trading more with each other and they have formed APEC etc. These testify to a large degree of dependence that has been buttressed by partnership and free trade agreements. However, on the flip side, the region is beset with problems. These include territorial disputes, a wide diversity of political systems, and economic disparities. Increased military spending by the countries in the region and the rise of an expansionist China bring in additional sources of friction and conflict. In addition, Japan is bothered by North Korea's brinkmanship and the emergence of China as a strong military and economic power has contributed to the geostrategic shift towards the region.

While forecasting future scenarios, the speaker argued that by 2030 there may be a major power transition with China likely to replace the US as the strongest power in the region. Japan is concerned about this possibility especially since China is the largest trading partner of most of the countries in the region and it has adopted an increasingly assertive posture towards Japan. He also stated that Japan was very concerned about China's influence over North Korea and its nuclear programme. He was of the view that any measure to tackle China needs to have both a competitive and cooperative component. In this context, he said Shinzo Abe's victory in 2012 and his

further victory in the upper house election in July 2013, has contributed towards internal political stability and it might be very useful for revamping the Japanese economy.

On Japan's strategies for Asia-Pacific, he highlighted three major areas for appropriate measures to address the challenges from China and North Korea. First and foremost, Japan believes its security alliance with the US would be the cornerstone of Japanese diplomacy in the coming years. It therefore supported American rebalancing in Asia-Pacific, hoping that Trans-Pacific Partnership materialises. The second component is the realignment related to military bases which appear to be smooth now that the revision of the 1997 security guidelines have been agreed to by Japan and the US. Japan under Abe is keen to enhance and promote the alliance with the US. The third area Abe has identified is to develop a reliable military force. More importantly, Abe has established a National Security Council. He has also brought out Japan's second national security strategy along with Japan's national defence promotional guidelines.

According to Prof. Kesavan, Japan wants to have its own constitution without or at least an amendment to article 9 so that it can develop its own defence force. Linked to this is the issue of Japan exercising collective self-defence. However, Abe faces pressure from the coalition partners who are dead against amending the constitution and the notion of collective self-defence. Because of this opposition, Japan has so far not been able to act on collective self-defence. He also talked about security arrangements that Japan was establishing with other countries of the region. Japan has signed bilateral agreements with India and Australia that exclude both China and the US.

In the discussions that followed a number of issues were discussed. Among others these included the emerging security architecture; rebalancing, Japan's strategy and Post-Ukraine developments in the Asia Pacific region.

2.5 SESSION IV: PERSPECTIVES FROM INDIA



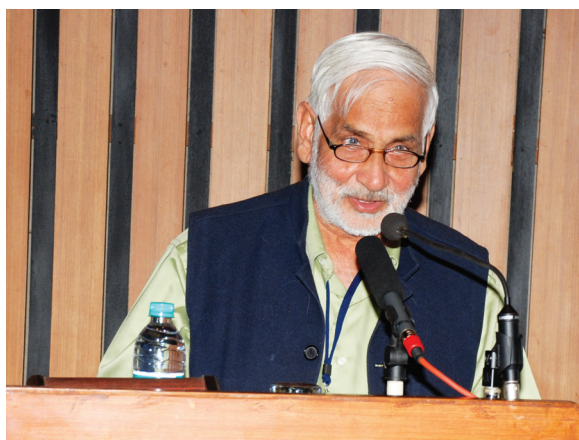
The session was chaired by Rear Admiral (Retd.) Raja Menon, Distinguished Fellow, Institute of Peace and Conflict Studies and the National Maritime Foundation. The session looked at the role of India—an important stakeholder—in the Asia-Pacific region and assessed the consequences of changing geopolitics in the region. Some of the questions that were raised by the Chair are as follows:

- To what extent would the US pivot to Asia determine the dynamics for countries such as India, China, US, Japan and other states in the region?
- To what extent would an alliance formation (with countries having similar geopolitical interests) serve India's interests?

- From New Delhi's perspectives, what degree of threat is posed by China's technological advancement in the Asia-Pacific region?
- Can the tensions in South China Sea spill over to Eastern Indian Ocean (say Bay of Bengal) or the Line of Actual Control?

Papers in fourth session were presented by Prof. S.D. Muni, Distinguished Fellow, Institute for Defence Studies and Analyses (IDSA) and Ambassador Leela Ponappa, former Ambassador of India, former Deputy National Security Advisor and Secretary of the National Security Council Secretariat.

Prof. S.D. Muni presented his views on 'India and the Changing Power Dynamics Asia-Pacific'



Prof. S.D. Muni began his talk by offering an overview of the current regional situation. According to him, Asia-Pacific is a hot spot of competition and rivalry.

ASEAN, which has limited unity among its members and ethnic polarisation in the region, has added to the already present competition and rivalry in the region. He highlighted three major sources of potential conflicts in the region, which are the Sino-US rivalry, the Sino-Japan rivalry and the maritime disputes in the South China Sea.

Washington's pivot to Asia is driven by its desire to re-assert global dominance. He stated that the US is down at the moment but not out. One sees China being assertive but it is also engaging with the region and with the United States. China is directing its efforts towards wooing India and Indonesia. It is not difficult to recognise that of late China has become relatively communicative if not softer on issues. This is reflected in China's willingness for a nuclear dialogue with India, the establishment of a code of conduct on borders, efforts towards maritime security etc. Even with regard to ASEAN, China has become softer and is willing to negotiate a code of conduct.

Prof. Muni went on to say that in view of periodic problems between the players in the region the potential for conflict cannot be ruled out. There is a lot of scepticism among ASEAN members and neighbouring countries about Washington's ability to help Japan in case of a crisis with China. He also talked about other problems that have plagued the region such as ASEAN countries failure to negotiate amicably on bilateral or multilateral issues. This is mainly because every member in the ASEAN grouping has a different way. This also highlights the fact that there is little unity within ASEAN members. He argued that ASEAN way is a Thai-way of functioning which implies that it will compromise with the strongest power because of its own constraints. There is a rising wave of nationalism in China and Japan, which will further complicate the coming future.

Given this situation Prof. Muni then underlined what India could do. In his view, Asia-Pacific is a region where India will have to be very active. He said that India needs to take advantage of economic and strategic opportunities opened by the hot-

spots. India's activities in Andaman and Nicobar are a good example of the route India should follow. ASEAN should be kept as an anchor. He asserted that ASEAN is only a good façade for diplomatic engagements. Despite its weaknesses, India should not ignore it. India should engage with ASEAN more constructively and productively. In his view, India should aim for trilateral agreement with Southeast Asian neighbours like Myanmar, Thailand etc. in line with its maritime cooperation agreement with Sri Lanka and Maldives. India should also engage actively with other important and interested countries and participate in platforms such as the India-Korea-Japan forum and the India-Australia forum.

Additionally, Prof. Muni averred that India should not shy away from engaging with China, specifically in relation to China's efforts towards the revival of the Silk Road. Initially, India was not interested in the Kunming Initiative but is now happy to participate. Such as change is welcomed and India should continue to follow this path and not alienate itself. India should also engage with socio-economic issues in this region. As a stable democracy India should help strengthen the democratic forces in countries like Myanmar and Thailand. In the end, Professor stated that Russia looks a promising ally even in the Asia-Pacific and therefore India should try and work more keenly and vigorously on that relationship.

Ambassador Leela Ponappa spoke on 'New Power Dynamics in Asia-Pacific: Strategic Implications and Options for India.'

Amb. Leela Ponappa argued that before delving into the core issues of the topic, it is important to look at the basics of the issue.

She stated that it is worth questioning what constitutes the Asia-Pacific or for that matter the Indo-Pacific region.



China opposed the term, 'Indo-Pacific'. While some say that Indo-Pacific has a reference to India, specifically the India Ocean, others raise the question whether it implies a connection to Indonesia or Eurasia.

It is interesting to note that the term 'South Asia' came into use in the 1980s eventually leading to the concept of SAARC.

Further she said there is another question that one needs to ponder over. What should India's world view be? She answered that the world view should be dependent on the position the country enjoys. There will also always be overlapping domains in this regard such as our interests in various areas and organisations like the Shanghai Cooperation Organisation, East Asia Summit, ASEAN Regional Forum etc. She advocated that India also needs to establish and work on a security dialogue with the Gulf. India's geography is diverse. Its geographical connections range from China to Antarctica and the Bay of Bengal etc.

Regarding China, she was of view that any rising power would be assertive as that is the norm. The question worth asking is that how should India cope with China's rise? The pointer to answering this question is that we should think strategically and not

culturally. To illustrate this point she said that India raised two strike corps for use in the border region. The link between this and the clarity of the goal in the current scenario is not very evident. She expressed that the general lethargy and problems with India has got nothing to do with democracy. It is the inability to communicate ones goals clearly. The issue in India remains that any talk bearing a military dimension, security or any defence related issues in foreign policy deliberations raise hackles.

India vouches on its soft power but it is essential to realize that soft power only helps if you have hard power. India has its own ambivalence regarding its views on issues and its role. She emphasized that India needs to articulate a strategic doctrine.

Talking of the world view, she said New Delhi should also look at both the resources at its command and opportunities that the resources may offer when engaging with other countries. India offers a lot of scholarships to Buddhist monks in Thailand to come to India and learn Pali. This helps in increasing soft power. However by focusing only on that, we lose out on other important aspects such as giving scholarships to Thai students to come to India and study engineering, IT etc. In the same vein, when the idea of establishing the Andaman & Nicobar command was proposed, India became defensive and guilty. These instances showcase the need of having a high degree of clarity on strategic and political issues. India should also focus on military cooperation with other countries at bilateral and multilateral levels. We can negotiate on joint operations and intelligence sharing as well.

How does India perceive the South East Asian region? The region is evolving but does India's Look East Policy change along with the evolution. Amb. Ponappa said India

should look beyond the traditional focus on soft power, economics and investment. As a result of the changing geopolitical environment, if New Delhi does not adopt an active strategy and provide resources for implementation, it will not be able to make use of the opportunities available.

In relation to the specifics of the US Pivot to Asia, she presented the view that one needs to realise that US-China equation exists on its own and is not entirely dependent on India, as some would like to perceive it. Talking about alliance formations, she felt it remains difficult to predict the way India would take. However it is important for New Delhi to build partnerships. Her final statement was that India needs to develop her own capabilities and not rely on another country or set of countries for any assistance.



At the end of the seminar, the convenor Dr. M. Mayilvaganan proposed a vote of thanks. He acknowledged the hard work and effort of the organizing committee apart from thanking all the chairpersons, presenters, rapporteurs, and delegates in making the event a success.

3. INFERENCES

Based on the proceedings of the seminar the following inferences on the behaviour and strategies of the major players in the Asia Pacific Region can be made.

China

- China's economic performance and its military modernization have made it a major power in the Asia Pacific Region.
 - Though there is a great deal of economic inter-dependence between China and the US, there is great trust deficit that spills over into the strategic and military domains. This has created a new Cold War type situation between the two countries.
 - There was agreement among the participants that China is behaving in an increasingly assertive and aggressive way with its neighbours in the region. This assertive behaviour is particularly prominent in the East and South China seas. This behaviour was directed not only at US allies but also at other countries in the region.
 - China's aggressive behaviour seems to have the full support of the Party and the PLA. The PLA remains under the firm control of the Party. Participants felt that this assertive behaviour would continue.
 - China's relations with prominent US allies such as Japan and Philippines have become significantly worse following a string of maritime incidents. Other countries such as Vietnam have also been subject to Chinese harassment.
 - China's behaviour towards the ASEAN group of countries also suggests that it thinks it has a dominant power position.
 - There seems to be a gap between Chinese local bullying behaviour and the overall strategy that seems to advocate a more reasoned rise.
 - Participants described this variously as "psychological flux", "muscular leadership" and "no clear sense of direction".
- The seminar proceedings raised a number of questions related to the motives behind China's behaviour. Some questions are as follows:
- Is China's increased belligerence based on the premise that US power is on the decline and that it can now match the US at least in the region?
 - With the presence of "US pivot" and the notion of "Air Sea Battle," does China believe that it has in place a strategy to deter the US from intervening in the region? or
 - Is the increasing assertiveness based on the belief that the US wants to deter China from bullying its neighbours but will not move towards containing China?
 - By implication does this mean that China does not take the "US pivot" and the "Air Sea Battle" as a hindrance to or a constraint on its actions? or

- Is the Chinese behaviour a consequence of a gap between the local and global strategies or between the tactical and the strategic? What are or what could be the reasons for this gap? Or
- Is China's assertiveness a part of a well thought out integrated approach towards the eventual re-establishment of China's dominant position in the region?
- Though some participants raised the question of a new world order with China and the US as dominant power centres, the issue did not emerge as a major point deserving serious consideration.

The USA

According to the seminar participants the recent US pivot to Asia Pacific region could be interpreted in many ways.

- It can be seen as a move away from a dominant or hegemonic position towards a rebalancing position.
- It can also be seen as a US response to contain a rising China. Many participants mentioned that this was the position that the Chinese were taking in response to the "US pivot" and the concept of "Air Sea Battle".
- There seemed to be a broad acceptance amongst the participants that the US actions were not aimed at containing China but rather directed towards deterring China's bullying tactics.
- The view that the US sees India as an important ally in its rebalancing strategy also seemed to find acceptance.
- When the sessions on China and the US are viewed together, the seminar proceedings seemed to suggest ambiguities in both Chinese and American perceptions regarding each

other's motives and intentions in the Asia Pacific area. These grey areas could sow the seeds for future conflicts in the region.

Russia

- Russia would like to remain relevant as a major power centre in the region. The mature status of the European markets for oil and gas, and the growth prospects for them in the Asia Pacific region (especially in China) will force Russia to look eastwards rather than westwards. If China's response is positive especially in terms of economic investment in Russia's eastern regions, Russia may not have any problems in sharing power with China, as a part of the new political order in the region.
- Developments in Ukraine and their consequences will also move Russia closer towards China to counter the moves from NATO and the western alliance. A Sino-Russian alliance of sorts could well happen soon.

Japan

- The seminar proceedings suggest that Japan is seriously worried about the rise of China and its increasing aggressive behaviour towards it. It is also worried about China's power and influence over a nuclear and missile capable North Korea that can be used to threaten and coerce Japan.
- Japan has responded to these developments by strengthening its alliance with the US. As a part of this alliance it will once again allow US bases to operate out of Japan.
- It is also improving its defence capabilities and if the constitution can

be amended it is signalling the setting up of a self-defence force for the country.

- By signing security pacts with Australia and India it has also indicated its intentions to form alliances with other like-minded countries to counter China's aggressive behaviour.

THE ASEAN COUNTRIES

The ASEAN as a collective body is divided on how it should deal with China's increasing assertiveness.

Some fall clearly within the Chinese camp while others fall within the US camp and many others would like to remain neutral.

- Most of the approaches adopted by them to build integrated security architecture with all the major players in the region such as the EAS have not delivered any great results so far.
- As a consequence, countries are pursuing their own approaches when dealing with this situation.
- Cambodia and Laos appear to be closely linked to China.
- Indonesia, the largest country of the ASEAN is trying to remain neutral by providing space to China but also seems to be worried about Chinese actions in waters close to it. It is looking new ways and means in dealing with these problems.
- Malaysia like Indonesia originally favoured a security architecture that recognized China's major role but after the spate of maritime incidents, it has moved along with the Philippines towards a multilateral code of conduct approach with the involvement of countries like the US and Japan.
- Singapore and Thailand are trying to

work out arrangements which would favour the continuity of trade with China but also enable them to be linked to a security umbrella under the US.

- South Korea appears to be moving closer to China both in terms of trade and also because it believes that China can control North Korea. However, in case a major conflict breaks out, it might still look to the US to guarantee security.
- Given this large variation in interests, it appears unlikely that a grand alliance against China can materialize, even under US leadership. However new security arrangements between countries with similar interests that may include other major powers are already beginning to emerge. This may be the trend for the next few years.

India

- India does not have a clearly articulated strategy for dealing with developments in the Asia Pacific region including the rise of China. The articulation of such a strategy that includes both hard and soft power components came out as the top Indian priority.
- Though Indian and US interests are increasingly aligned against China in many ways, India should not become a formal part of the US rebalance strategy. India should also make sure that it has the capabilities to deal with any problems with China on its own without having to depend on other countries.
- India should continue to actively engage with China in all areas while continuing to be watchful about Chinese actions and intentions.
- India needs to be proactive in its

approach to the region especially with regard to the maritime domain. It must exploit emerging opportunities to send strong signals to all players, that it will preserve and protect its strategic interests. The absence of a clear 'Look East' strategy is currently hampering such efforts.

- In spite of the many problems within ASEAN, India should continue to engage actively and constructively with it.
- Apart from strengthening bilateral ties with countries like Russia India also needs to look at trilateral agreements with the countries to strengthen its strategic position.

ABOUT THE INTERNATIONAL STRATEGIC AND SECURITY STUDIES PROGRAMME

The International Strategic and Security Studies Programme (ISSSP) at NIAS is an interdisciplinary programme that seeks to combine science and technology, international relations, economics and political science in understanding the strategic and security environment of India and the world. Its objectives are to study the

military-political and security developments, offer suggestions for promoting and ensuring India's national security, study the impact of technology on security, implement projects, organise empirical conferences, and provide policy inputs on various issues.

For more information, please visit <http://isssp.in/>

ACKNOWLEDGEMENTS

The organisers of the seminar and the preparation team of this report would like to acknowledge the support of Vice Admiral (Retd.) Vijay Shankar, Vice Admiral (Retd.) RN Ganesh, Prof. Chandrashekar, Prof. Rajaram Nagappa and other members of ISSSP, distinguished participants, and Dr. Venkat Lokanathan and Scholars of Department of Political Science, St.

Joseph College for encouragement, support, and inputs.

This report is prepared by M.Mayilvaganan, Aditi Malhotra, Viswesh R, and Sadhavi Chauhan from ISSSP. With inputs from: Rinita Kar Chowdhury,* Ashwathy Vijayan,* Umakantha V,* Azhar Khan C A,* Portia B Conrad,* Sanket Kulkarni,** and Murali Murti.**

* Post Graduate Researchers in the Department of Political Science at St. Joseph's College, Bangalore.

** Doctoral Scholars, International Strategic and Security Studies, National Institute of Advanced Studies, Bangalore.



