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Report by
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Workshop Report

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

International Strategic and Security Studies Programme
National Institute of Advanced Studies
Bangalore, India

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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 workshop titled 'Asia-Pacific Power Dynamics: Strategic Implications and Options for India' on March 11, 2014.

Workshop Agenda & Methodology Validation

The agenda and the proceedings of the workshop were finalised through a number of stages. The first stage involved in-house discussions over potential trigger events that could spur a crisis in the Asia-Pacific. The second stage involved the identification of crisis events and possible scenarios along with the compilation of a database, which included relevant information of all the countries in the region. Finally, the agenda and programme for the workshop were decided upon through a validation exercise, held on August 20, 2013, which brought together area experts and scholars.

The validation meetings concluded with a consensus on the trigger events that would facilitate the simulation exercise. It was also suggested that the workshop be preceded by a seminar where subject experts would reinforce the current baseline positions of the various countries of the region.

Key Events for Crisis Simulation & Escalation

The simulation exercise comprised the following four sequential events that escalate and exacerbate the inherent tensions between the major power players in the region from the initial baseline position.

Event 1 (Baseline position for the workshop)

Event I consists of ten tensions, which act as a catalyst to the ensuing crisis.

1. Rise of a Revisionist China;
2. The US pivot to Asia-Pacific and the US Alliances in Indian Ocean Region are in place;
3. Tensions continue in the South China Sea;
4. China enables the activation of the third Island Chain;
5. China's Strategic Missile Forces are placed at high alert;
6. China's Anti-Access (A2) and Area Denial (AD) Strategies are in place;

7. The US Air Sea Battle Doctrine is under implementation;
8. US Anti-Ballistic Missile batteries available with key countries in the region;
9. India's Strategic Force Posture in place;
10. The Dalai Lama factor becomes more important in relations with China.

Event 2

The US selectively abrogates the Cairo Declaration of 1943, the Potsdam Declaration of 1945, and the San Francisco Treaty of 1951, which unleashes Japanese power and the limitations imposed on Japan by the treaties.

Event 3

China occupies the Quemoy and Matsu islands

Event 4

China initiates border actions in the Tawang Sector of India's Northeastern region.

The Groups

The workshop was structured into five groups, keeping in mind the alliances and the major power blocks in the Asia-Pacific region. The first four groups comprised of China and its allies, US and its allies, ASEAN, and India. There was a fifth group, the Control, which included all the other countries, coordinated the events and documented the responses of the other four groups. The groups were made up of area experts hailing from the defence and diplomatic services, academicians, and scholars.

Workshop Findings

The Workshop revealed the following strands of strategic thinking amongst the different groups:

The US

The workshop commenced with a baseline position wherein the US did not want to confront China but only deter it. However, the workshop exercise suggested that if the current tensions transform into a crisis that could escalate into a confrontation, the US will be willing to escalate the crisis and would not yield to Chinese threats.

- The workshop revealed that the US may be willing to reassert its dominance in the Asia-Pacific if needed; this was displayed by its assertive actions in the region.
- As events progressed in the workshop, America's stand transformed from deterrence to containment and eventually from containment to possible confrontation with China.
- The responses also suggested that the US looks at the region as an integrated entity. Specifically, the US clubbed the East China and the South China Seas, and the Indian Ocean region as one domain, when dealing with China. Thereby, it hoped to invoke a multilateral response to the China threat. This was achieved by a strengthening of ties with its current regional allies (Japan, Korea), and seeking more allies in the South China Sea (Vietnam) and the Indian Ocean Region (India).
- Although the US wanted India to be a part of its alliance, it was not willing to get involved in India's bilateral issues with China.

CHINA

- Unlike the US, China did not view the Asia Pacific region as an integrated entity. Whether this was a conscious part of its strategy or whether it was an inherent flaw in the way they think remained unclear.

- China's treatment of regional and global issues seemed to reveal an absence of a clear link between them. Though Taiwan, the East China Sea and the South China Sea issues are all connected especially through geography, China chose to deal with them separately.
- The divide and rule approach adopted by China was also revealed in its preferences for bilateral negotiations even though many of the maritime disputes in the region are multilateral ones.
- China's strengthening of its military and political partnerships with South Asian countries like Pakistan, Nepal, Sri Lanka, and Bangladesh were aimed to check India, which Beijing identified as a crucial US ally.
- China's responses highlighted its aspirations to attain parity with the US in a new bipolar world order, where it enjoys the same status and power that the erstwhile USSR commanded during the Cold War Era.

ASEAN

- ASEAN's responses to the events reflected the lack of unanimity amongst its member countries.
- During crisis situations, ASEAN preferred to use diplomatic negotiations to defuse tensions. The workshop reflected that ASEAN is interested in an enhanced US presence in the region that allows its members the luxury to trade with China, without the problem of political domination by China.
- Though ASEAN seemed comfortable with the current power structure in the region, an unleashing of Japanese power seemed to have been a matter of grave concern to them. The group's responses established that ASEAN was as concerned about Japan as it was about China. This is understandable since many of the member countries have been victims of Japanese aggression in the past.
- Looking at the overall scenario, it can be inferred that ASEAN's ability to respond in an affirmative manner remains restricted to diplomatic endeavours. Though individual members of ASEAN such as Vietnam or Cambodia could be important from the viewpoint of the US or China, the ASEAN collective did not seem to be a major force in a crisis escalation scenario in the region.

INDIA

- Throughout the crisis, India practiced strategic restraint and made conscious attempts to stay out of a China-US conflict.
- India's responses made it clear that it did not view crisis events in the South China Sea as important enough for it to take any actions.
- The only time New Delhi contemplated military action was when its territorial interests were in peril.

Issues & Questions

The workshop raised a number of issues to be addressed in greater detail. These issues arise from the various assumptions that went into the formulation of the baseline positions, the trigger event for the crisis and other events that lead to crisis escalation.

- Under what circumstances (that threaten its current dominant position) will the US move from a strategy of deterrence or containment of China towards a more aggressive posture of reasserting its dominance?

- Is China's current aggressive posture, which has transformed a number of neutral countries into potential adversaries, a part of a broader grand strategy? Or is it based on an ad hoc judgment of its interests by vested parties within the Chinese establishment?

  As a corollary to the above, the following questions may also need more detailed investigation:
- Do China's actions in the region display a prioritisation of its interests? Would it help if China asserted its maritime territorial claims after it has resolved the Taiwan issue? By creating multiple adversaries in the Asia-Pacific, is China creating problems for itself?
- Is the US approach of looking at the region as an integrated whole the right way to look at the problem?
- Why does China continue to breach the provisions of the United Nations Convention on the Law of the Sea (UNCLOS), even though it is a signatory to it? Is there some well thought component of a Chinese grand strategy behind some of its overtly irrational and inconsistent behaviour in the region?
- Under what conditions will India play a more proactive role in an Asia-Pacific crisis?

For the Indian strategic community, there is an undoubted need to gain a deeper understanding of the evolving regional dynamics of the Asia-Pacific, as a result of China's rise. ISSSP intends to conduct a series of workshops on this theme in the coming years. Future workshops would incorporate more countries and participants, in order to make the events, scenarios and proceedings more realistic and relevant.

2. Background and Rationale

2.1 Origin and Concept of Workshop

The end of the Cold War shifted the centre of power towards Asia. This view was validated by the economic revival of China and India and the economic integration amongst the countries of Southeast Asia. The simultaneous rise of India and China and the evolving power dynamics created a new set of regional equations. In order to understand the implications of these developments, a shift in strategic focus towards a broader theatre of the Indo-Pacific, is needed.

Though all the countries of this region have welcomed and benefited from China's economic rise, increasing Chinese belligerence in the South China Sea and the East China Sea have become a major cause of concern. The US pivot to Asia and the strengthening of its alliances in the region may further aggravate tensions and create conditions for conflict.

These developments raise a number of questions for India:

- How will increasing Chinese assertiveness, especially in the South China Sea, affect the relations between the countries of the region?
- How much of a threat is the Chinese presence in the Indian Ocean for India?
- Will China's close relations with the littoral states of the region transform their equation from a commercial to a military one, which could convert civil ports to naval bases?
- Are there ways by which tensions in the South China Sea can spill over into the Indian Ocean or impact the India-China border issue?

The International Strategic and Security Studies Programme (ISSSP) of the National Institute of Advanced Studies (NIAS), as a part of its China focus is engaged in a medium term effort at trying to model the emerging power dynamics of what can be loosely described as the Asia-Pacific region. A database on all relevant countries in the region was created, thereby enabling an analyst to get a picture of a country's internal and external situations.

Apart from basic data on the countries of interest, the database also contains models that use a network approach to study the political, economic, and military dimensions of the relations between regional powers and the external major powers of the current world order.

The idea of a workshop came about from the realisation that new approaches for making inferences about the strategies of countries had to be combined with the emerging power dynamics of the Asia-Pacific. This would improve our understanding of current events and what is likely to happen. Such a workshop would help build national capacities for strategic thinking.

A strategic workshop was organised by ISSSP in Bangalore on March 11, 2014. The workshop brought together scholars, experts and analysts to deliberate on the

current relations between the countries of the Asia-Pacific region. It also delved on how these relations would play out in case of an escalating crisis in the region.

2.2 The Objectives of the Workshop

Over a year, a number of discussions were held at NIAS regarding the objectives of the workshop. These included discussions with personnel from the defence services, diplomats, academicians as well as others connected with policy making within the national security establishment.

After extensive discussions, the major objectives of the workshop were identified. These were as follows:

- To examine and evaluate each country's external and internal relationship structures to gain an understanding of the critical factors that influence their decision making.
- To understand how the countries of the region behave during a crisis situation and the extent to which this behaviour is influenced by the nature of the country's relations with the dominant powers in the region.
- To examine the dynamics of crisis escalation in the Asia-Pacific region and in the process, examine the interplay and trade-offs between the political and military actions, as well as the risks of escalation from a conventional to a nuclear confrontation.
- Use this understanding of the behaviour of various countries to analyse their implications and the resultant imperatives for India.
- A consensus emerged from these discussions that the workshop should promote strategic thinking within the higher levels of the Indian national security establishments.

3. The Design of the Workshop

The first step before looking at the design of the workshop was to build a database for countries of the Asia-Pacific region. A relevant picture of each country's internal and external situation, its vulnerabilities, and the political, economic, and military ties were created by using publically available data. The comprehensive 'knowledge bank' or database contains basic information on the countries of interest such as ethnic profile, national interest of a country, decision making apparatus, military capabilities, political priorities, economic interests, and security perspectives. These networks of political, economic, and military ties along with an assessment of a country's vulnerabilities provided a base for looking at the design of the workshop.

The preliminary studies on China's borders and its vulnerabilities also revealed that maritime disputes in the East China Sea and the South China Sea have been creating instability in the region and should therefore be a major input in the workshop design.

Given the innate complexity of modelling relations between countries, there was agreement that the only way to stimulate strategic thinking was through the simulation of a crisis. The responses of the countries to crisis escalation would force Indian strategic thinkers and decision-makers to analyse implications of various courses of action in a holistic and comprehensive way. The focus therefore, shifted towards identifying a set of events that led to the creation and potential escalation of a crisis, based upon the probable actions and reactions of the countries.

There was also an agreement on the following:

- The theatre of interest would be the Asia-Pacific.
- China's increasingly aggressive behaviour in the maritime domain of the Asia-Pacific was identified as a major seed to the crisis.
- Since the East China Sea and the South China Sea are relatively far away, Indian strategists – based on the extrapolation of current and past trends of behaviour – may decide in favour of indifference or a 'hands off' strategy. Therefore, a need was felt to include events that compel India to become a more proactive player. Such a ploy would force Indian strategic thinkers to look into the issue and identify India's national interests in a more focused way. This was seen as a key element in the design of the workshop.

3.1 Identifying Key Events for the Crisis Escalation Scenario

A number of discussions were held on possible sequence of events that would trigger off the crisis and then allow it to escalate. There were also heated debates on ways and means to make India a more active player in the various scenarios that emerged.

There was a consensus that an India-China bilateral problem by itself was unlikely to escalate into a regional problem.

There was also an agreement that unless the US and China were directly involved in the origin of a crisis, it was unlikely to escalate into a major regional crisis.

If the broader Asia-Pacific issues had to dictate the emergence of a crisis, the realities of India-China engagements such as the border issues, Tibet and the Dalai Lama factor had to be linked to the larger US-China problem, which would affect all the countries in the region.

These constraints provided a reasonable basis for the development of more realistic scenarios, which were better anchored in the current realities of the region.

The following four events (hypothetical) were finalised for a crisis escalation scenario, which would engage the countries of the Asia-Pacific.

i. Ten underlying tensions governing the behaviour of countries in the Asia-Pacific.
ii. The US selectively abrogates the Cairo Declaration of 1943, the Potsdam Declaration of 1945 and the San Francisco Treaty of 1951. This unleashes Japanese power by setting aside the limitations imposed on it by a number of treaties.
iii. China occupies the Quemoy and Matsu islands.
iv. Border actions triggered by China, in the Northern and North-eastern sectors of India's border with China.

3.2 Identification of Key Countries

While geography and regions are no doubt important for studying the relations between countries, there are problems that it poses when looking at power, trade, and dependency relations between countries in an increasingly inter-connected world. Too narrow a focus may not adequately capture all the action and a very broad focus may not result in any kind of useful insights.

Based on a study of borders, 27 countries populate the region of interest. This excludes major powers like the US. Additionally, it does not include a country like Australia, which is playing an important role in determining the security architecture of the Asia-Pacific.

While all the countries are important, including all of them as individual and separate players may not be needed. The US and China needed to be included as separate entities. Russia and Japan as the other two major powers needed to feature in a scenario evolution.

The ASEAN group posed a special set of problems. Based on the research carried out during the workshop preparation, opinion was divided as to whether ASEAN should be included as a single entity or as individual member countries (at least some important countries, such as: Indonesia, Philippines, Vietnam, Thailand, Malaysia and Singapore).

Based on an assessment of China's vulnerabilities, Indo-China and the Korean peninsula also came up as areas of concern. This led to discussions if the countries of the above mentioned region should also be included in the scenario.

In view of many Australian initiatives in the Asia-Pacific, there was also a debate as to whether it should be included as a separate player.

Since such a complex exercise was being carried out for the first time, there was an agreement that the number of players should

be reduced by grouping countries, whose interests were likely to be aligned. If needed, these could be modified in other subsequent exercises.

3.3 Major Groups

The final composition of the various groups that took part in the simulation exercise is shown below:

Group 1 included the US and its allies in the region comprising Japan, Philippines and South Korea.

Group 2 consisted of China and its allies, which included North Korea, Cambodia and Pakistan.

Group 3 was the ASEAN countries.

Group 4 was India.

Group 5 was the Control Group responsible for coordinating and controlling the sequence of actions and reactions emanating from the various groups, as they respond to the various events creating and escalating the crisis. It also represented and gave inputs for the countries that were not included in any of the other groups.

3.4 Design Validation

In order to validate the assumptions behind the sequence of events and the crisis escalation scenario, a special meeting was held with a group of identified experts. This meeting took place at NIAS, Bangalore on August 20, 2013.

The discussions revealed that in order to facilitate the learning from the exercise, there was a need to question the assumptions behind each of the four events that constituted the crisis escalation scenario, so that they can be better related to the realities of today. For doing this in a meaningful way, a baseline that captures the current relations between countries of interest needed to be established. A seminar was held a day prior to the workshop. It brought together experts who were asked to provide perspectives on the likely behaviour of the major countries in the Asia-Pacific, which could provide the required baseline position.

The proceedings of the seminar is available at http://isssp.in/asia-pacific-power-dynamics-strategic-implications-and-options-for-india-2/

4. Workshop Proceedings

4.1 Workshop Participants & Groups

The participants were selected from various fields, including the Foreign and Defence Services, and Academicians. They were briefed with preliminary information about the objectives of the exercise, the scenario, and other relevant information.

Four groups were formed and they were allotted different rooms with a structured agenda and events. Among the members of the group, one was designated as the spokesperson.

As the exercise was an attempt to simulate the decisions and processes, each group was required to act and decide what the real-world consequences could be and react accordingly. This hypothetical scenario was set in the period 2018-2020.

Since the game consisted of four events, the participants developed political and military directives for each of them. Each group responded to the supplied events. The resultant actions were then presented to Control for documentation. At the end of the exercise, all the participants along with Control assembled together for deliberations on the last event and also on the key decisions that were made by the groups.

The compositions of the groups are as follows:

Control Panel: The Control Panel was headed by Vice Admiral (Retd.) Vijay Shankar. The other members of the control panel were Prof. S Chandrashekar, Prof. Rajaram Nagappa, Ms. Aditi Malhotra, Ms. Rinita Chowdhury and Dr. M. Mayilvaganan. The main task of the Control Panel was to coordinate and control the sequence of actions and reactions emanating from the various groups (the US, China, ASEAN and India) as they respond to the various events creating and escalating the crisis. The Control Panel also represented the countries that were not present in any of the other groups. On some occasions, the Controller provided specific issues or/and triggering events to particular groups. The responses of the groups to each event were recorded by the control panel, in a response sheet.

***Team I: China* and its Allies** (North Korea +Cambodia+ Pakistan)

Members of this group were Amb. Ranganathan (Spokesperson), Mr. Jayadeva Ranade, Prof. Srikanth Kondapalli, Brig. Arun Sehgal, and Mr. Umakantha.

Team II: USA and its Allies (Japan+ South Korea+ Philippines)

Members of this group were Rear Admiral (Retd.) Raja Menon (Spokesperson), Prof. Kesavan, Prof. Chintamani Mahapatra, Dr. Suba Chandran, Dr. Arun Vishwanathan, Dr. Venkat Lokanathan, and Ms. Ashwathy Vijayan.

Team III: ASEAN

Members of this group were Amb. Leela Ponappa (Spokesperson), Prof. Gopal, Mr.

Viswesh Rammohan, Ms. Sadhavi Chauhan, and Mr. Azhar Khan.

Team IV: India

Members of this group were Amb. Bhadrakumar (Spokesperson), Prof. S D Muni, Gen. Nagaraj, and Mr. Sanket Kulkarni.

The responses of the groups to the events and an analysis of these responses are provided in the following section. Critical questions regarding the various assumptions that went into the design of the crisis escalation scenario are also raised as a part of the analysis. They provide the basis for a more nuanced assessment of the likely behaviour of various countries from an Indian point of view.

4.2 Events and Responses

EVENT I AND RESPONSES

Objective of the Event: The objective of the event was to move from the baseline position (enunciated in the seminar) to the creation of a crisis. A general feeling among the participants in the seminar preceding the workshop was that the American motive was to deter bullying by China and not to actually contain it. Therefore, Event 1 was meant to move away from the baseline (deterrence) towards containment. The event indicated a transition phase that evolved based on the actions taken by the US and China, in response to the projected ten hypothetical tensions.

Description of the Event: The projected ten hypothetical tensions are:

1. Rise of Revisionist China.
2. The US pivot to Asia-Pacific and the US Alliances in Indian Ocean Region.
3. Tensions in the South China Sea.
4. China enabling third Island Chain- China's third island chain is a strategy to provide security to its energy and trade routes. The third island chain runs an arc from the north of Japan, east of the Mariana Trench passing through the Makkasar and the Lombok Straits extending to the Chagos archipelago.
5. China's Strategic Missile Force placed on high alert.
6. Anti-Access (A2) and Area Denial (AD) Strategy- Chinese A2/AD strategy, which aims to prevent an adversary from occupying or traversing an area of land, comprises a large ballistic missile force with the capability to attack key targets, such as air bases and naval facilities. The capabilities include advanced counter-maritime and counter-air systems that can destroy critical mobile assets, such as surface ships and aircraft. A2/AD also extends into the space and cyber domains that support U.S. operations, and is specifically designed to disrupt U.S. power projection and is well suited for use against U.S. forces in the event of a confrontation over the defence of Taiwan.
7. US Air Sea Battle Doctrine – Air Sea Battle, which became official in February 2010, is an integrated battle doctrine that forms a key component of the military strategy of the United States. As explained by the U.S. Department of Defense's Quadrennial Defense Review stated, "The Air Force and Navy together are developing a new joint air-sea battle concept for defeating adversaries across the range of military operations, including adversaries equipped with sophisticated anti-access and area denial capabilities. The

concept will address how air and naval forces will integrate capabilities across all operational domains—air, sea, land, space, and cyberspace—to counter growing challenges to U.S. freedom of action. As it matures, the concept will also help guide the development of future capabilities needed for effective power projection operations."

8. The US Anti-Ballistic Missile batteries- The US ABM program has matured and batteries have been established in South Korea, Japan, Philippines, Taiwan, Vietnam and their Pacific possessions.
9. India's Strategic Force Posture–CCS Directive—the Directive was included to indicate that India would have to take a strong stand in the given situation and not remain elusive to the developments taking place.
10. The Dalai Lama factor- The Dalai Lama factor was brought in to make the inclusion of India relevant. Apart from factor 9 and 10, the events are not directly connected to New Delhi.

The first eight tensions largely relate to an emerging US-China Dynamic.

Tensions 1, 3, 4, 5 and 6 connect an overtly aggressive China with a more aggressive strategic force posture. This posture included activation of the Third Island Chain, placement of Chinese missile forces on high alert and implementation of an Access Denial Strategy. These appear to be incremental steps in China's current strategy towards various countries in the region with which it has maritime disputes.

Tensions 2, 7 and 8 indicate the willingness of the US to respond to China's increasingly aggressive posture.

Taken together, these tensions represent a shift in the US approach towards China, from one of deterring China's aggressive posture towards reasserting the US dominant power status in the Asia-Pacific.

Tensions 9 and 10 have been intentionally introduced in order to make sure that Indian interests in the Asia-Pacific are not seen as peripheral and that India does have strategic stakes in what happens in the region.

The ten tensions represent the transition from the current position of an unstable status quo (arising from China's rise and its revisionist approach), towards the emergence of a crisis that could become the prelude for the establishment of a more stable order in the Asia-Pacific. The aim was to underscore China's rise, which is perceived as aggressive in the regional neighbourhood and beyond.

Responses of the Groups and Summary of their Behaviour: Based on the ten tensions, the groups were to respond and highlight their strategic posture. Following are the responses of each group:

USA Response

- US Secretary of State issued a statement on the need for US and China to co-exist peacefully and take advantage of peace to strengthen their respective economies.
- Deny China its claims of the dashed line.
- Signal to China that its anti-access/area-denial (A2/AD) is unworkable in the face of the Air Sea Battle Concept.
- Reinforce American focus and posture in Japan by positioning additional forces.
- Ask India how far is it willing to go towards joint operations.
- Offer India an intelligence sharing agreement in the meanwhile.
- Declare a tri-lateral exercise with Japan and South Korea to validate the Air Sea Battle Concept.
- Communicate with China to lower missile readiness state.

- ❖ Forward deploy nuclear-powered attack submarine (SSN) Force to the coast of Mainland China.

Summary of the USA Behaviour:

- The basic intentions which emanate from the American response is that it is moving towards the containment of China at the given stage. This is followed by an American indication that they do not want to escalate the situation, however, they are willing to take that extra step in case China antagonises them. The US also effectively signals to China that it [US] has an appropriate response to Beijing's Area Denial strategy. These signals were also backed up by actions such as forward deployment of SSN Forces and reinforcement of its posture in Japan.
- Another trend in the US behaviour is to seek more allies in the South China Sea and the Indian Ocean region, in order to deter China. This is evident in the American action to approach India, which prefers to adopt neutrality and remains relatively suspicious of American intentions. Undoubtedly, the inclusion of New Delhi would be a game changer and would also include the Indian Ocean region with the South China Sea. Interestingly, US actions point to its intention of clubbing the East China Sea, South China Sea and Indian Ocean as one geographical domain, when dealing with China.

China's Response

- ❖ Continuing on its local level revisionist and global level status quo strategy, China emphasises the need to abide by past important treaties.
- ❖ As a response to the US pivot, China wants a new type of equal power relation with the US.
- ❖ As an initiator of tensions in the South China Sea, China wants to use a combination of soft and hard policies. There are differences in the way it deals with issues related to South China, as compared to the way it deals with problems in the Sea of Japan.
- ❖ In terms of Geography: A combination of facilities and capacities in ports like Hambantota and Gwadar as well as along the African Coastline are activated. *Caveat*: How willing and accommodative would the host countries be? Why? (with regard to the specific actions that will be taken).
- ❖ USA Air Sea Doctrine and US ABM batteries are seen as offensive actions, which are very provocative, and an appropriate response would be given. Draw red lines under possible US actions. Space based capabilities would be employed.
- ❖ On the post Dalai Lama development, China wants to intensify measures on the security, religious, cultural and economic fields to cushion the impact of the passing away of His Holiness, the Dalai Lama.

Summary of the Chinese Behaviour

- China's response to Event 1 avers that it deals with regional and global issues very differently. While it remains a revisionist power displaying a degree of assertiveness in the regional setting, it prefers to abide by essential global treaties. Therefore, it remains comfortable with the global status quo currently. Despite this, China is

also seeking to revise the major power relations, specifically in terms of its relations with the US. It hopes to attain a bipolar world wherein it enjoys the same stature and power that the USSR commanded during the Cold War era.

- In contrast to how the US views the issue, China perceives the problems in the South China Sea as being distinct to the issues in the East China Sea. Beijing does not want to club the various maritime issues together and prefers to handle each differently, based on the countries involved and the nature of relations it has with each. This also highlights its practice of emphasising bilateral means of negotiation as opposed to adopting a multilateral focus.
- When analysing the Chinese response, one could sense a degree of disconnect between its local/regional strategy and its global strategy. This is substantiated by the absence of any strong signal sent by China during Event 1. Even though the group asserts that the "US Air Sea Doctrine and US ABM batteries are seen as offensive actions which are very provocative", they fail to send any strong signal to deter any potential American action. Even with regard to the Dalai Lama factor, China only takes some precautionary steps and provides no signals showing commitment to the cause.

ASEAN Response

- ASEAN's definition of 'Revisionist China' is heightened nationalism, backed by an aggressive military posture.
- Attempted unanimity among the ASEAN member countries.
- Given the differences between individual members, there will be an attempt to formulate a minimum strategy to face the situation without serious confrontation with China.
- A unified policy to ensure continued presence of the US forces.
- Press China for a Code of Conduct in South China Sea.
- Diplomacy to avoid escalation of China-Japan tensions, including use of ASEAN Regional Forum (ARF), ASEAN Defense Ministers' Meeting + 8 (ADMM+8) etc.
- Dalai Lama is not a factor for ASEAN countries.
- India's nuclear posture is not relevant to ASEAN as both India and China have a No First Use policy.
- An attempt would be made to put in place joint patrolling by ASEAN Navies.
- Any substantive effort will require strong US involvement.
- Initiatives to diversify ASEAN trade to reduce dependence on China.
- Limited to action in the ASEAN region: Both from the angle of security and foreign policy and given its limited strategic capability, the action cannot extend beyond the ASEAN region.
- Heightened diplomatic efforts to try to pre-empt escalations of China-Japan tensions.

Summary of the ASEAN Behaviour

- The ASEAN even though regarded as a single entity has numerous countries with varied individual aspirations and problems. This angle got reflected in ASEAN's response.
- ASEAN'S behaviour focussed on undertaking negotiations with various parties, especially in order to avoid escalation of the China-Japan tensions. ASEAN expressed its keenness to include the US in the region to further

its security. However, it is important to question how Chinese allies in ASEAN such as Cambodia etc. would react to such a proposal.

- With regard to the stated tensions, the Dalai Lama factor and India's posture remained irrelevant to the group in the given context.

Indian Response

- ❖ Closely monitor the evolving situation.
- ❖ Within the framework of the CCS Directive, ensure operational preparedness and urgently attend to the gaps.
- ❖ Activate diplomatic channels.

Summary of the Indian Behaviour

- India's behaviour reflects restraint in light of the ten tensions. It also expresses its desire to engage with involved parties through diplomatic channels. This shows that India wants to avoid getting involved in a China-US confrontation for as long as possible. It contemplates resorting to military action only in the case when its own security is at risk. In terms of any signalling, New Delhi shows readiness to commit capabilities but does not signal any strong commitment.

EVENT II & RESPONSES

Objective of the Event: To create a substantial crisis which forces China to change its approach and prevent the creation of a US-China dominated bipolar world order. Moving away from the baseline position of Event I—deterring China—to actual containment.

Description of the Event: The US selectively abrogates the Cairo Declaration of 1943, the Potsdam Declaration of 1945, and the San Francisco Treaty of 1951, which unleashes Japanese power and the limitations imposed on it by the treaties.

Responses of the Groups and Summary of their behaviour

USA Response

- ❖ Decides to send its Secretary of State to Tokyo with instructions to expand the scope of the US-Japan Security Arrangement to include the following:
  - Japan will come to the assistance of the US if attacked.
  - Japanese forces need not take legislative permissions to operate worldwide.
- ❖ Approaches Vietnam to confer visiting facilities to US warships and, if possible, consider passage exercises between Vietnam Navy and Air Force with US warships.
- ❖ The US delegation is successful in its efforts as during its visit to Hanoi, it manages to obtain Rest and Recuperation (R&R) facilities at Cam Ranh Bay for the US Warships.

Summary of USA's Behaviour

- The session signals the strength of Japan-US relations as formal allies. Vietnam is recognised as a crucial regional player and efforts are made to add it to the pro-US grouping in the region which consists of Japan and South Korea.

China's Response

- ❖ China does not accept US's unilateral declaration with effect to its action in the South China Sea.
- ❖ China will maintain its current posture in the South China Sea. However, it will attempt to expand cooperation through bilateral arrangements.

- ❖ It will develop capacities and capabilities (infrastructure) in concurrence with host countries to ensure security of vital Sea Lanes of Communication.
- ❖ The plans will be enabled in the South China Sea.
- ❖ Chinese efforts to upgrade its posture include enhanced intelligence, surveillance, and reconnaissance (ISR).
- ❖ It will also try and conclude overt military, political contacts with Pakistan, Nepal, Sri Lanka, and Bangladesh.
- ❖ China will also make efforts to:
  - Secure its strategic inputs.
  - Not allow any country to act as a regional hegemon.
  - Put pressure on India to become sensitive to China's strategic concerns.
  - Send a message to the US allies regarding Chinese commitment to preserve its strategic space.
- ❖ The Chinese do not view US's claims of efficacy of Air-Sea doctrine as credible and emphasise that action by the US to escalate tension will get befitting response.

Summary of China's Behaviour

- China, which is in support of a status quo, is caught off guard by US's declaration. Accordingly, it refuses to change its posture in the South China Sea and makes statements refusing to recognise the move, condemning US's unilateral abrogation of treaties. It realises the need to enhance its regional clout. Therefore, it embarks on a mission to enhance bilateral cooperation with regional players.
- Faced with an immediate threat, China continues with additional deployment of its resources leading to an increase in its intelligence, surveillance and reconnaissance (ISR) activities. China recognizes India as a crucial US ally in the region and tries to check its moves by concluding military and political alliances with its neighbours namely- Pakistan, Nepal, Sri Lanka, and Bangladesh.

ASEAN Response

- ❖ In response to the developments, ASEAN would make serious diplomatic initiatives to restrain the US from going ahead with these internationally unacceptable steps.
- ❖ ASEAN can also not forget that they were co-victims with China of Japanese aggression in World War II.
- ❖ ASEAN realises that the US actions would involve a major review of the structure of the UN Charter and International Law.

Summary of ASEAN's behaviour

- ASEAN adopts the conventional course of indulging in vocal criticism of US's actions without taking any affirmative action. It undermines the legitimacy of US's action by describing it as a violation of international law.
- As US and its regional ally Japan are the aggressors in the current situation, ASEAN considers Japan as the regional bully, and tries to check its actions in the region by diplomatic means.

Indian Response

- ❖ India expressed its deep concern with the developments that have contributed to a serious deterioration of security situation in the Asia-Pacific and called upon all parties to exercise restraint.

- ❖ India also stepped up its border vigilance and enhanced the security of its vital installations.

Summary of the India's behaviour

- Although India is reasonably concerned about the development in the region, it acknowledges that it does not directly impact India's interests. Therefore, its response to the crisis is limited to calling for a peaceful resolution of the dispute.
- Simultaneously, in an environment of regional tension, India increases the vigilance of its border areas as steps to protect its territorial integrity.

EVENT III & RESPONSES

Objective of the event: To simulate an extreme case of aggressive China response that forces the complete change from baseline position to containment, thereby bypassing an accommodative postures.

Description of the event: China's occupation of Quemoy and Matsu islands.

Responses of the groups and summary of behaviour

USA response

- ❖ A Congress resolution for China to withdraw from the islands.
- ❖ Raising the issue in the UN Security Council.
- ❖ Signalling intention to blockade the Straits of Malacca.
- ❖ Attacking and destroying Chinese ELINT satellites.
- ❖ Deploying Multi Nation Task Force to Taiwan Straits as a demonstration force.
- ❖ Raise alert level in Pacific Command and deploy for Air-Sea Battle.
- ❖ Asking for Chinese withdrawal from the islands.

Summary of USA Behaviour:

- The US response to the event is one of aggression, which clearly demonstrates the political and military commitment of the United States to preserve its interests in the region.
- The response also highlights the intention of the US to invoke a multi-national response to China's occupation.

China's Response:

- ❖ The Chinese response to the event included up gradation of military posture in its Southern and Eastern zones.
- ❖ Increased surveillance in the South China Sea and the East China Sea.
- ❖ Putting the Second Artillery on alert.
- ❖ Diplomatic endeavours including an emergency UNSC meeting to defuse tensions.
- ❖ China also denies that it attacked US surveillance assets.
- ❖ All these are to deal with any provocative response by the US or its allies in the region.
- ❖ A subtle message of financial implications also conveyed to the US.

Summary of China's Behaviour:

- The Chinese response shows strong signals to defend its interests.
- The use of diplomacy to make the US seem as the instigator is a clear move by China.
- China maintains that it does not want war nor did it initiate any actions against US assets. At the same time, China's posture also helps it prevent further aggression from US and its allies.

ASEAN's Response

- ❖ The first important point was to ensure

that ASEAN would issue a strong statement that condemns China.

- ❖ As a further point, ASEAN would also support any UNSC resolution against China.

Summary of ASEAN Behaviour:

- The ASEAN response to the event clearly highlights that ASEAN does not like China's move and that member countries do feel threatened by it.
- However, outside of diplomacy, ASEAN's scope to respond to the event is extremely limited. ASEAN can only support international resolutions against China.

Indian Response

- ❖ India's response included expressing deep concern over the events in the Asia-Pacific, which have pushed the security situation to the brink.
- ❖ India called upon all parties to express restraint in the region.
- ❖ At the same time, India will step up its border vigilance and protect its vital installations.

Summary of Indian Behaviour:

- The Indian response clearly demonstrates that it was concerned about the situations that arose in the Asia-Pacific, but will not take a clear posture, as it is not on India's turf.
- As a result of the event however, India strengthens its border vigilance and this demonstrates India's commitment to preserving its interests.

EVENT IV & RESPONSES

Objective of the event: To simulate and bring in India as a proactive player in the exercise.

Description of the Event: The border actions in Northeast India were presented to the participants as a subset of China-US dynamics, arising out of defending the Indian interest. Additionally, the Dalai Lama factor was brought in to make the inclusion of India relevant. Apart from this, CCS Directive—India's Strategic Force Posture—was also included to indicate that New Delhi would have to take a strong stand on the given situation and not remain indifferent/neutral to the developments taking place. The aim was to highlight China's rise, which is perceived as aggressive in the regional neighbourhood and beyond.

Responses of the Groups and Summary of their Behaviour

Based on the event, the groups were to respond and highlight their strategic posture. Following are the responses of each group.

USA Response

- ❖ The US has called for withdrawal of Chinese troops from the Indian borders in addition to proposing to take up the issue in UN Security Council.

Summary of USA Behaviour:

- The American approach to India-China border actions display its disinterest, which emanates from its dominant power position and remains relatively suspicious of Chinese intentions – initially avoiding confrontation with China. But with the Indian CCS directive, the US invited India as a strategic partner knowing that the inclusion of New Delhi would be a game changer.

China's Response

- ❖ The Communist Party of China (CPC) looked at the Dalai Lama factor in

detail. It was considered that the death of the Dalai Lama may lead to enormous disturbances within India and hence, some repercussions can be felt in Tibet. Self-immolation by monks in the Trans-Himalayan region and the Nepal factor were also taken into consideration. However, the CPC was largely optimistic in dealing with the post Dalai Lama scenario.

Summary of China's Behaviour

- The CPC approach on border issue demonstrates Beijing's confidence and dominance in the region.
- After deliberations on the Dalai Lama factor, the CPC was optimistic about dealing with any untoward incidents in Tibet or India.

Indian Response

❖ The Chinese aggressive posture in India's North-eastern sector and the South China Sea were discussed by the Indian government and it was decided to enhance the Indian position at the border in order to safeguard India's territorial integrity and interest. CCS directive was issued in this regard, in order to alert the security force and prepare for any eventuality. It also decided to recognise the new Dalia Lama as a political leader and not a spiritual head.

Summary of China Behaviour

- Indian approach demonstrates that it would restrain from any provocative measures, but at the same time it would formulate policy to safeguard its territorial integrity and interests.
- It decides to enhance surveillance activity in border areas and to stabilise Tawang through accelerated development.
- Asia-Pacific and the South China Sea issues were definite concerns to India, but considered not its turf by the policy makers.

5. Findings and Discussion

The results of the workshop proceedings raised a number of key issues relating to the strategic signalling of the major players.

The Behaviour of the US & Allies

Importantly, the simulation exercise reveals that the US was clearly interested in maintaining its dominance in the region and to uphold the continuing primacy of US power. This US dominant position is reinforced by simultaneous US actions in the diplomatic, military and economic spheres. **Notably, the major strategic objective of the US appears to be to ensure that China does not rise to the level of an equal power.** For instance, through a combination of political and military moves, Washington denies China's claim on the 9-dash line and also signals to China and its allies, that it intends to stand by its close regional allies such as Japan. It is also ready to respond if China wants to lower tensions.

However, regardless of its willingness to deter Beijing from bullying, there is also a clear intention not to provoke a direct military confrontation with China. For example, the US does not appear to be very keen in engaging with allies such as Philippines. It also stalls Japan's request for Washington's direct intervention even though many littoral states would favour such a direct demonstration of US power.

This tactics of the US, however, raises some key issues, such as:

- Under what circumstances will the US change its approach towards China from its current posture of deterring or containment towards a more proactive approach that reinforces its status as the dominant power in the region?
- While the US clearly approaches Japan and reinforces its position in the East China Sea, it chooses to ignore the Philippines in the current situation. Does the US through these actions assert that it wishes to deal with the South China Sea problem by responding in the East China Sea? Or is it just to make sure that in case of an escalation, it is in a better position to deal with a possible Taiwan issue, arising out of the escalation dynamics, and that it takes a broader region based view of nation state politics? The broader question to ask is how does the US view its relations with the countries of the region in terms of relative importance and its priorities in the region?
- What are the potential dangers that will arise from the release of Japan, especially for countries, which have had non-harmonious ties with it in the past, like Korea and Russia?
- Is the representation of Japan as an US ally and not an independent entity, a weak way of representing the reality?
- Will South Korea ally with Japan and the US against China? This may be a possibility under US duress, however such an arrangement will not materialise without its share of challenges.

- Does the US consider India an ally or neutral? If there was no CCS directive, would the US actually approach India in case of problems with China in the South or East China Seas?

China's Behaviour

The simulation exercise also exposes an intriguing change in the pattern of Chinese behaviour concerning ASEAN countries and the US in the region. Inferences from the workshop proceedings show that China's coercive strategies against its neighbours are tactical with an aim of signalling its supremacy. Evidently, China's aggressive posture is not aimed against the US. China wishes to be a local bully, whereas with the US, it likes to keep at a level where there may be competitive but not confrontational relations. In fact, it can be concluded that irrespective of their posture and differences concerning the region, both the US and China want to avoid a conflict and solely prefer to contain each other's power. This was evident from the responses given by the US and China groups.

Surprisingly, even in its regional posture, China's tactics differ, for instance, from the South China Sea to the East China Sea. Beijing seemed ready to escalate its aggressiveness in the East China Sea, whereas it wants to maintain status quo in the South China Sea due to its perceived economic benefits.

On India, Chinese signals indicate that it wanted to neutralise New Delhi, particularly deterring India from allying with the US. In short, it can be concluded that in one region, Beijing wanted to ensure its dominance, whereas in the other region it wishes to avoid any conflict. On the whole, China's responses appear to be ambivalent, as the link between the local strategy and global actions remain unclear.

A comparison of Chinese regional strategies and its global strategy displays a degree of disconnect between the two. The absence of any strong signal from China during Event 1 substantiates this conclusion. What might explain this behaviour of Beijing?

One possibility is that the Chinese yearning for controlling offshore natural resources in the region is the key driver of this behaviour. This disconnect could also be the result of differences between organisations and institutions within the Chinese government and the Party. A third possibility is that China may be adopting a cautious approach towards the US to signal a willingness not to escalate further, till it achieves certain capabilities that put it on par with the US. It is testing the waters of how the US would respond to increasingly assertive behaviour to gauge how far the US would go in protecting its interests in the Asia-Pacific.

Nevertheless, Chinese signalling raises more questions than answers, such as:

- What are the priorities of China's strategic interests? Is there a contradiction in the Chinese behaviour, say between local, regional and global levels?
- Is there some kind of gap in China's grand strategy because it continues to create problems in the South China Sea and also hopes to resolve the issue? Is there a disconnect, because the conditions created by Beijing will only force the countries involved in the dispute to look towards the US for support? This may erode the support that many countries in the region might have otherwise given to China over Taiwan. If this seems logical, why is China adopting its current aggressive approach in the seas near it?
- Does it make sense to link the South

China Sea, East China Sea and the Taiwan issue from a strategic point of view? Does China have a clear strategy to deal with these issues, keeping in mind their geographic and military implications?

- Are China's responses consistent with its current capabilities? Will other countries actually support China? Does China think that it can sustain its domination in the given situation and win?
- Will China respond or will it take a relatively low step against the US and its allies? Under what conditions will China act against the US and its allies?
- Is China realistic about its assessment of a third island chain? How would countries that are a part of China's third Island chain react to the idea?
- China makes political/military moves to neutralise India. However, it is worth debating if in the face of a crisis involving USA and Japan, will China invest so much time and effort in neutralising India?
- Finally, had Event 3 happened prior to Event 1, would China have had support from other countries?

ASEAN Behaviour

It was very clear from the workshop that the responses of the ASEAN countries differ. Many of them face serious dilemmas in their differential relations with the US and China. Interestingly, the majority do not like the US' unilateral move to abrogate laws like Cairo Declaration during Event II. They also do not like the Chinese occupation of Quemoy and Matsu in Event III. As a disordered group, it prefers diplomacy i.e. negotiations with China and the US. Also, many of the ASEAN countries appear to be peripheral players except for those aligned directly with the US. The discussion within ASEAN and its response raises many issues, such as:

- Would ASEAN countries be able to balance their relations with the US and China, given the current context?
- Would ASEAN be able to take a united stand on the issue of a China-US crisis, if it accelerates to an unprecedented level? Does looking at ASEAN as a unified group make political or military sense? Can ASEAN ever come up with a unified response to any event that involves a problem between China and the US?

Indian Behaviour

Remarkably, the simulation exercise demonstrated that though India considered the tensions and developments in the South China Sea and the East China Sea as a concern, it chooses not to respond since it believes that this region is not its turf. Only with the Chinese actions at India's North-eastern border, does New Delhi display its concern and start sending out signals. The Indian posture shows a movement from restraint to readiness and eventually to talk about preparedness for waging war. Subsequently, with a CCS directive, New Delhi sends strong signals that it is prepared to fight if pushed further.

The analysis of the workshop proceedings pose few key issues, these are:

- Does India have valid interests in the South China Sea and under what circumstances will it become an issue compelling India to act? How would India have reacted had the CCS not been issued?
- Is India really not a part of the Chinese containment strategy? If not, why? If China had done what it did without

pushing claims in the maritime domain, would it be acceptable for India and in this context, what would be India's stand on the Taiwan issue?

- In reality, will a CCS directive be issued in response to the ten tensions? Under what conditions will such a directive be issued?
- Is there some logic to the Chinese aggressive behaviour or does it appear to be irrational to the Indian mind, which perhaps does not understand Chinese thinking?
- How can we relate the key findings from the workshop to realistic assumptions about Chinese strategic behaviour? How can we use this understanding to fine tune India's relationship with China?

5.1 Future Work

Since the workshop was the first of its kind organised by NIAS, the choice of the countries and the groupings associated with these choices had to be limited to four groups along with a Control group.

Both the workshop proceedings as well as the preceding seminar clearly revealed that in order to infuse greater realism into the exercise, it is necessary to bring in some of the more important countries as separate entities.

Russia is a major military and economic power that has a significant impact on the regional power dynamics and needs to be treated as a separate player.

Since Japan is at the heart of much of US strategy in the Asia-Pacific, and is also a formidable economic power with high military potential, there is a need for it to be modelled as a separate entity.

South Korea as a key US ally on one hand and a major friend of China on the other, also poses a special set of challenges. North Korean actions are a cause of concern to two major powers of the region- Japan and South Korea. Both the Koreas may need separate treatment.

Australia is also emerging as a player, who is trying to enter the region as a key mediator and ally of the US. It is trying to establish special relations with some of the key countries in the Asia-Pacific.

Though ASEAN does have an identity of sorts, it is unlikely to act cohesively in matters relating to conflicts and crises. Some of the more important members of ASEAN such as Indonesia, Malaysia, Philippines, Vietnam and Singapore may need inclusion as separate entities.

Future workshops should be designed to accommodate these additional components. This would make the exercises more realistic.

The workshop helped assess the changing dynamics of crisis escalation in the Asia-Pacific and their impact on the behaviour of the various countries in the region. In particular, the workshop illustrated how the behaviour of countries in the region is influenced by the nature of their relations with the dominant powers.

This crisis escalation exercise at NIAS also provided a wealth of insights into the complex interplay of various factors that influence the strategic behaviour of countries. Future workshops could build upon these to promote much needed strategic thinking within the higher echelons of the Indian National Security System.

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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.

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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.**

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* 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.